FBIS DAILY REPORT

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INDUSTRY SECRETARY LACERCA RESIGNS: WORK NOTED

PY140313 Buenos Aires TELAM in Spanish 0030 GMT 14 Aug 85

[Text] Buenos Aires, 13 Aug (TELAM) -- It was officially reported tonight that Industry Secretary Carlos Lacerca has resigned.

The Industry Secretariat released a communique explaining that Carlos Lacerca has always advocated unrestricted support for the Austral Plan, and that he resigned in order to cooperate, from another post, with the political project of President Raul Alfonsin and the Radical Civic Union.

The communique adds that from his position as an economic team member, Lacerca worked for the Austral Plan and made a personal effort to win the support and confidence of the industrial sector, whose reaction has been essential for the success of the plan.

Lacerca will play an active role in the formulation of guidelines for an economic growth stage to be implemented once the essential economic and financial adjustments have been achieved, the communique concludes.

SENATE APPROVES OFFICER PROMOTIONS, APPOINTMENTS

PY150116 Buenos Aires Domestic Service in Spanish 2300 GMT 14 Aug 85

[Report from Congress]

[Text] The Senate met in a very long secret session to approve 9 appointments in the judicial branch, 23 appointments in the diplomatic sector, and the promotion of 3 officers of the Armed Forces. The promotion of these three officers had been rejected by the Senate, but the executive branch returned the promotions to the Senate insisting that they be approved.

The promotions that have been approved are those of Colonel Francisco Dalessandri, who has been promoted to brigadier general, Lieutenant Colonel Julio Cesar Durand, promoted to colonel, and Captain Roberto Pertusio, promoted to rear admiral.

ALFONSIN, OTHERS DISCUSS MILITARY BUDGET

PY150027 Buenos Aires BUENOS AIRES HERALD in English 14 Aug 85 p 11

[Text] (NA-DYN) -- The top-level meeting on the Armed Forces' financial problems yesterday failed to produce the anticipated wage increase for servicemen with presidential spokes-man Jose Ignacio Lopez telling reporters afterwards that the military budget was the only topic discussed.

Lopez said the talks centered on the distribution of funds between the three branches of the Armed Forces and the maintenance of their operational efficiency.

The working lunch at Olivos presidential residence was attended by President Raul Alfonsin, Economy Minister Juan Sourrouille, Defence Minister Roque Carranza, Joint Chiefs of Staff head Teodoro Waldner, and the three chiefs of staff of the Armed Forces: Lieutenant-General Hector Rios Erenu, Vice-Admiral Ramon Arosa and Air Force Brigadier-General Ernesto Crespo.

Military spending totalled 2.8 percent of the Gross Domestic Product (GDP) in the 1984 and is to total 2.4 percent in this year's. Defence Ministry sources said yesterday the military budget was complicated by the question of whether or not to include the servicing of the 3.5 billion (thousand million) dollar debt of the Armed Forces and military-owend industries.

CNEA PRESIDENT VIEWS BUDGET CUTS, TLALTELOLCO

PY110356 Buenos Aires TELAM in Spanish 1229 GMT 10 Aug 85

[Text] Mar del Plata, 10 Aug (TELAM) -- Alberto Constantini, president of the National Atomic Energy Commission [CNEA], has repeated here that Argentina will not ratify the Tlaltelolco Treaty because it is discriminatory. He has also said the new economic policy has meant a considerable budget reduction for the CNEA. He explained, however, that an analysis of the budget cut shows that it preserves items that have a bearing on maintaining basic CNEA activities.

In an interview published today by the local morning paper LA CAPITAL, Constantini asserted that CNEA expenditure levels on personnel will be maintained. Our experts and scientists have enough funds to continue their activities without problems, and they will be paid adequately. He added that research, the intellectual standards of our scientists, and technology will be maintained at the same levels as before.

Constantini arrived here to attend the first meeting on social housing, organized by the General Pueyrredon township and Mar del Plata National University.

Constantini said public works was the item most affected by the budget cut. He mentioned that in public works, funds were planned for Atucha II, heavy water, and other projects, such as enriched uranium, the processing plant, and some laboratory projects of less importance.

He added: The first two projects are causing the most concern because this year about $250 million would have been required for Atucha II, and at least $100 million for heavy water. That $350 million has been reduced to $130 million. This is a noticeable reduction, and the year is advancing with fewer months left in which to invest.

He added that for the rest of the year he could keep the two projects going, but without significant progress.

Constantini said the problem is not serious this year. He then pointed out that the important thing is the political decision to continue the project in the future. He stressed: In this political situation, the president has said he will continue the project in the coming years.

Constantini said there is no longer a brain drain in the area of atomic energy. Most of the 13 nuclear physicists and 12 nuclear engineers who graduated in Argentina joined the CNEA, first on scholarships, them as employees, and finally at the plant.

Constantini said in conclusion that Argentina will not ratify the Tlaltelolco Treaty because it is discriminatory. The CNEA president explained that Argentina has taken this position because the treaty allows countries that are already armed to continue increasing and developing nuclear weapons, while it advocates the prohibiting unarmed countries from developing in the atomic area.

REPORTAGE ON PAZ ESTENSSORO'S ACTIVITIES

Comments on Economic Crisis

PY142230 La Paz Cadena Panamericana in Spanish 1700 GMT 14 Aug 85

[Text] The country is practically at the doorstep of bankruptcy. The MNR [Nationalist Revolutionary Movement] came to power through the will of the people and Congress to make a final effort to save this country. The new regime is concluding its examination of several measures to handle the overall crisis. In this regard the government asks for the cooperation of the workers through dialogue. There will be no economic measures unloading all the burden on the labor sector.

These are the most important parts of a statement made by President Victor Paz Estenssoro in government palace.

[Begin Paz recording] We are almost at the doorstep of bankruptcy. We came to power by a decision of Congress and the people who want the government to make a final effort to save this country, to save the working class, the work sources, and the productive sector, and we are going to try to do just that. We are concluding the examination of several measures to handle the sectors that cause the crisis, and to do this we need the understanding and cooperation, through dialogue, of all the labor sectors.

I would like to say that [words indistinct] measures to be implemented will not unload the weight of the crisis on the labor sector. The measures will not have the same characteristics of the type of emergency measures implemented by the previous administration. Those measures, under the appearance of salary increases, were aimed at maintaining or increasing the buying power of salaries but in a few days or weeks that buying power did not exist because real salaries were not even maintained.

We have a new policy that will normalize the economy with a salary policy that will establish not only stable salaries but also improved salaries based on the development of the economy. [end recording]

President Paz Estenssoro also announced other measures aimed at abating the crisis. He said that it is not the purpose of the new leaders to hurt the economic situation of the workers. He said that there will be no mass layoffs and salaries will be stable.

[Begin Paz recording] In this regard our purpose is not to hurt the labor sector. We are not going to initiate mass layoffs, freezes, or reductions in personnel. We are going to try to establish a salary level and keep it stable. We do not want to give any more details because that would mean getting into many details. There is a need to implement overall measures to attack the economic and financial problems, particularly the monetary problem as a whole. This is necessary because if we do not take the necessary measures this month, or in the next few days or weeks, this country may face disaster by next December. [end recording]

The president then said that the government of the MNR is aware that it assumed a great responsibility, that the hopes of the workers will be fulfilled, and the burdens of the crisis will not fall on the majority of the people.

[Begin Paz recording] We are aware that we have assumed a great responsibility because the situation of the economy has deteriorated to such an extent that only through radical measures will the problems be resolved. I do not need to say anything more but to hope that once we have the complete measures you will accept them. You can be certain that the measures will be effective because they are being designed with the supreme national interest in mind. They are designed to prevent the burdens from falling only on the majority of the population such as the working class, and especially to stop the deterioration of the buying power of the salaries of people on fixed income because they are the ones who are really affected by the crisis, the ones who have suffered the effects of the monetary crisis, inflation, price increases, and the high dollar value increase.

For those who have money, this situation was an exceptional opportunity to speculate. As a result, while the real salaries of people were affected other social sectors found favorable conditions to speculate and enrich themselves as never before. Some capitalist sectors made much more money during the last few years than in previous years.

This is not an empty accusation, it based on confessions of people who said that the regular income of their enterprises suffered losses but that by speculating with the monetary system they made profits three to four times greater than their losses. [end recording]

This was a statement made by President Paz Estenssoro. Reporters were able to record the president's improvised speech delivered before the leaders of the railroad workers union, and retired railroad workers this morning in the government palace. This union sector, represented by Angel Gomez, and Carlos Duran, came to the government palace to ask the president about several requests including the prevention of dismissals. Answering their requests, President Paz Estenssoro in a long speech referred to the steps being taken by the new government to overcome the economic crisis saying that the burdens of the crisis will not fall on the majority. He also pointed out that the country is practically at the doorstep of bankruptcy and that if no decisions are made before December the country will face a real disaster.

Holds First Cabinet Meeting

PY141742 La Paz Cadena Panamericana in Spanish 1130 GMT 14 Aug 85

[Text] The national cabinet held its first meeting on 13 August and approved two decrees. One decree confirms the military commanders in their positions and the other grants the Cochababa Federation of Factory Workers rights over land in that district.

The first cabinet meeting was held in the government palace and lasted 5 hours. Information Minister Reynaldo Peters gave a press conference to report on the meeting.

[Begin Peters recording] Two decrees were approved. One decree confirms the military commanders in their positions, and the other grants the Cochababa Federation of Factory Workers rights over land in that district. [end recording]

Peters also said that the report Defense Minister Fernando Valle gave during the cabinet meeting was positive.

[Begin recording] The defense minister reported that studies are being made into the construction of the military hospital. He also said that there will be no changes in the military command. [end recording]

The information minister explained that the national cabinet decided to immediately solve the problems created in the Bolivian embassies in the United States, Argentina, the Soviet Union, and other countries that maintain commercial relations with Bolivia in view of the resignations submitted by the ambassadors. Peters added that the president decided that the personnel of Bolivian diplomatic missions abroad must be made up of Bolivians.

Regarding the labor sector, Peters said that the government is making every effort to solve the problems in the Argentine Bank and in the Housing and Loan Bank. Regarding food supplies, the minister said that the cabinet decided to solve the flour supply shortage by ordering the distribution of flour so that the population has enough bread. Peters added that studies are being made to find the best mechanism for price controls and supply distribution to be implemented in the next few weeks.

Commenting on the education field, Peters said that the 200-day school year will not be fulfilled, but that efforts will be made to complete the 1985 school programs. The minister did not want to give any details on the economic measures. He only said that the measures will be announced at the appropriate time.

Names New National Police Chief

PY141627 La Paz Cadena Panamericana in Spanish 1130 GMT 14 Aug 85

[Text] President Victor Paz Estenssoro has appointed General Julion Vargas Soto as the new commander of the Bolivian police. He will be installed by the president in the next few hours. At the request of the executive branch, the Senate yesterday decided to promote Vargas Soto, who has been holding the position of director of the National Police Academy, from colonel to general.

COBIJA TEACHERS BEGIN INDEFINITE GENERAL STRIKE

PY132315 Madrid EFE in Spanish 1637 GMT 13 Aug 85

[Text] La Paz, 13 Aug (EFE) -- The Federation of Urban Teachers of Cobija, a city north of La Paz, today started an indefinite general strike, the first since the new government was installed 6 days ago. The teachers are demanding their salary for the month of June and are protesting their difficult economic situation after 2 months without receiving their salaries.

The Cobija branch of the Central Bank has said that it does not have the necessary funds to pay the teachers and has stated that there is nothing it can do if the National Treasury does not send it money.

The education sector has staged more stoppages and strikes in Bolivia than any other sector. The reason for the measures has usually been to protest the delay in the payment of their salaries and the lack of salary increases. This sector's salaries are considered to be the lowest in the public administration sector. Education Minister Enrique Pina Melgar has stated that the state-run schools have only fulfilled 30 percent of the 1985 school year. The minister said that an attempt will be made to complete the school year by rescheduling the classes.

The first strike against the government is of an indefinite nature and was declared a few hours after the new Bolivian authorities averted a similar strike by urban teachers in La Paz who were protesting a delay in the payment of their salaries.

GOVERNMENT SEEKS TEMPORARY AGREEMENT WITH IMF

PY150246 Rio de Janeiro O GLOBO in Portuguese 13 Aug 85 p 21

[Text] Brasilia -- Yesterday Luis Paulo Rosemberg, economic adviser to the Presidency, disclosed that during its negotiations with the IMF, the Brazilian Government will examine the possibilities of reaching a temporary agreement (shadow agreement) [preceding 2 words in English] for 1985.

According to Rosemberg, this type of agreement is usually reached when one party realizes that the other does not intend to give up its position, which, from Rosemberg's point of view, is what is happening with Brazil since the government believes in the success of the measures implemented to reduce the public deficit while the IMF has its doubts about them.

Rosemberg explained that any proposal in this regard has to be made by Brazil since IMF regulations prevents the IMF from taking this type of initiative. The adviser explained that this temporary agreement has not yet been reached as there still exists the chance, although remote, that a definite agreement with the IMF could be reached this year. The third possibility would be to postpone an agreement with this international organization until 1986.

According to the temporary agreement, Brazil would implement the program it submitted to the IMF and at the end of the year the IMF would conduct an evaluation to determine whether or not the results are satisfactory. The temporary agreement would mean that the IMF tacitly accepts to measures proposed to reduce the deficit but would not mean that it endorses the measures.

BRIZOLA SAYS GALLUP INSTITUTE BELONGS TO CIA

PY141220 Rio de Janeiro O GLOBO in Portuguese 9 Aug 85 p 13

[Excerpt] The Gallup Institute belongs to the CIA. Do you think the CIA is foolish enough not to have a research agency here?

This was Governor Leonel Brizola's reaction yesterday when commenting on the results of Gallup Institute's poll, ordered by O GLOBO, which showed the Carioca electorate's preference for Artur da Tavola, the Brazilian Democratic Mobilization Party candidate for city hall. According to the poll, Senator Saturnino Braga, the Democratic Labor Party candidate, comes in third place after Rubem Medina, candidate of the Liberation Front Party.

It was fixed, Brizola said. Everyone knows that Gallup is an organization which is here to render certain services. For example, distorting reality for purposes established in advance is very much the type of service for which this institution is meant, the Governor stated and insisted: "No one can convince me that the CIA is not behind all this."

BISHOP CAMUS DEMANDS PINOCHET'S RESIGNATION

PY141921 Paris AFP in Spanish 1700 GMT 13 Aug 85

[Text] Santiago, 13 Aug (AFP) -- A Chilean Catholic bishop has demanded the resignation of President Augusto Pinochet to prevent a violent convulsion in the country.

I ask him to abdicate, and I ask him to resign, said Bishop Carlos Camus in an unusual and frank complaint, in an interview granted to the opposition APSI (leftist) magazine which is circulating again today.

Camus, 58, former secretary general of the Episcopal Conference, is head of the Linares diocese in the southern agricultural sector of Chile. So far he has not been considered within the church as one of the toughest critics of the military regime, which has been in power for 12 years.

We have reached a situation (in Chile) where we fear that perhaps it is too late for a peaceful solution, the bishop stated, commenting on the president's permanence in power and the persistent demand by dissidents that he give up power.

In a climate of growing political violence, which during the past 30 months has caused the death of at least 200 persons, President Pinochet has reasserted that his presidential term will continue at least until 1990, in accordance with constitutional provisions.

We all want a peaceful solution with the least social cost possible and the least number of casualties... But this is becoming increasingly difficult, Camus stated. Because the government's social and economic plans have failed and to the extent that they have failed to convince most of the people, the government has felt an obligation to begin repression, which has made the problem even more difficult, he stated.

While human rights violations are becoming more serious, there is more fear of returning to a normal situation, especially after seeing what is happening in Argentina and other countries, where top military officials are facing serious accusations, the bishop added.

Commenting on recent terrorist actions, including the kidnapping and murder of three opposition members in a case involving police officers, Camus stated that Chile is facing an extremely serious moral crisis.

The belief is that everything is legal against the enemy... But that ethical principle is not Christian, he said.

Who, in the opinion of the church, is to blame for tortures, political crimes, and repression, APSI asked?

Camus answered: First of all, the church blames the national security doctrine (of the military regime). More specifically it blames the authoritarian regime, which because of its nature is compelled to resort to these procedures. If we have to mention any names, I blame the highest authority, General Pinochet, in this case because there isn't the slightest doubt that he is in charge, especially since the system calls for concentrated personal power.

Bishop Camus said it is possible Pinochet still retains some Catholic memories from his childhood but he has not been subject to any direct Christian influence since. He added: Perhaps other criteria have gained preeminence in his mind, reducing his faith to a personal or family level. I believe his faith was sufficient for peacetime, to be faithful to his wife and a good father to his children, to be honest in his job, and to lead an orderly family life. In order to cope with the new situation (as a ruler), fraught with all these terrible conflicts, his faith had to draw its strength from much more demanding ethics.

Camus explained that objectively speaking, President Pinochet has not respected his church because he has allowed many outrages. Camus recalled several incidents between government authorities and Catholic priests and high-ranking church officials.

Camus stated that there are also words that Pinochet lets slip during impromptu speeches. These are not the words of a believer, of a man whose faith is alive. His is a formal faith, the faith of a former student, not a practicing faith.

MINISTER ANNOUNCES NEW COUNCIL OF STATE MEMBERS

PY141625 Santiago Domestic Service in Spanish 1100 GMT 14 Aug 85

[Excerpt] Two new members have been appointed to the Council of State. They are former Minister [of Economy, Development, and Reconstruction] Modesto Collados and Admiral Jacobo Neuman, retired. This was announced by Justice Minister Hugo Rosende as he was leaving La Moneda Palace after a meeting with the president of the Republic.

CARABINEROS DECIDES AGAINST EXPANDING GOPE

PY142030 Santiago Radio Chilena in Spanish 2330 GMT 13 Aug 85

[Text] The Carabineros High Command has decided to postpone the expansion of the Special Police Operations Group [GOPE] planned for this year. This report has been released by police sources.

This decision is part of the Carabineros reorganization plan ordered by new Carabineros Director General Rodolfo Stange. GOPE is an organization created to carry out rescue and antiterrorist operations. This security organization is subordinate to the prefecture of special forces and is currently headquartered in Los Cerrillos.

Approximately 100 Carabineros reportedly make up this special group. So far the GOPE has been operating in the metropolitan area. There were plans for the creation of new GOPE units this year in Antofagasta, Colchagua, Concepcion, and Puerto Montt. However, four GOPE members are involved in the kidnapping and murder of three professionals, according to the report presented by special Judge Jose Canovas Robles.

Among those cited by Canovas Robles is the former chief of that organization, Lieutenant Colonel Ivan Gonzalez. The Carabineros have decided not to expand GOPE because the new priority of the uniformed police is to double crime-prevention efforts. However, it has been reported that it has been decided not to abolish this organization as was announced earlier.

NAVY CHIEF LINKS ATTACK, COMMUNIST ACTIVITIES

PY141701 Santiago Domestic Service in Spanish 1100 GMT 14 Aug 85

[Text] Navy Commander in Chief Admiral Jose Toribio Merino, who is also a member of the Government Junta, has condemned the attack that took the life of a Navy officer and seriously injured another seaman. Concerning yesterday's attack, the Navy commander in chief stated that this action proves that the Communist Party is still active in Chile.

In addition, Adm Merino stated that [Chilean Communist Party Secretary General Luis] Corvalan wants to return to the state of affairs prevailing on 10 September 1973 when he had no aspirin, no meat, no bread, no cheese -- nothing. Adm Merino stated that if Corvalan wants that state of affairs to return, we Chileans should be upset because Chileans themselves have asked us to take all possible steps to ensure their security.

GROUP ATTACKS CHURCH WORKER AS 'WARNING'

PY132359 Madrid EFE in Spanish 0307 GMT 13 Aug 85

[Text] Santiago, 12 Aug (EFE) -- Maria Vilicic Wallberg, who works with the Pastoral Youth Vicariate, was attacked in her car in the center of Santiago. The attackers carved crosses into her breasts with a knife. Hector Salazar, a lawyer for the Catholic Church, has requested protection for the victim, her husband, and her three young daughters. Also included in the request is Pedro Montiel, chief of the vicariate's moral orientation group.

The attack on Maria Vilicic is similar to the second attack about 2 weeks ago on the wife of a court secretary who is in charge of a murder trial of a student found dead on a cliff, after having been arrested by Carabineros.

The Catholic Church worker reported that after having left her daughters at the corner of Lira and Marin Streets in Santiago, she was attacked in her car by a woman and two men. One of the men tore off her clothes and with a knife carved three crosses: one on each breast and one in the middle of her chest. He told her that this was the first sign of warning for Pedro Montiel, she added.

Lawyer Salazar has asked for home police protection for the people involved, although the court secretary's wife had been under such protection at the time of the second attack and this protection was to no avail.

GOVERNMENT INCREASES GUARD ON MORMON CHURCHES

PY142120 Madrid EFE in Spanish 0053 GMT 14 Aug 85

[Text] Santiago, 13 Aug (EFE) -- Humberto Barrientos, official spokesman for the Church of Jesus Christ of Latter Days Saints in Chile, today reported that the military government of General Augusto Pinochet has ordered special vigilance for the property of the Church of Jesus Christ Latter Days Saints in Chile. The government decision was conveyed to Barrientos by Interior Under Secretary Alberto Cardemil, who received a detailed report from the Mormons on attacks suffered at several churches. Barrientos stated that after receiving the report issued by the Mormons, Cardemil stated that vigilance of the churches would be increased.

Over the past few weeks, several Mormon churches in Santiago and in major cities of the provinces have been the target of bomb attacks.

Meanwhile an official of the Workers Pastoral Vicariate of the Catholic Church, who 2 weeks ago discovered someone had infiltrated the organization, again received death threats. This information was supplied by the vicar of the Workers Pastoral, Monsignor Alfonso Baeza, who last Monday visited a Santiago judge to request the arrest of the person who infiltrated the organization. Upon being discovered, the infiltrator threatened another official, Arturo Valdes. In addition, Monsignor Baeza has filed an injunction to protect Valdes.

Valdes discovered a few weeks ago that a fellow worker, identified as Eduardo Ponce, was stealing church documents. Expelled from the vicariate and banned from participating in church activities, Ponce uttered death threats against Valdes, according to changes filed with a Santiago court at that time.

RADICAL PARTY ASKS AD TO BROADEN POLITICAL BASE

PY130327 Santiago Radio Chilena in Spanish 2330 GMT 12 Aug 85

[Text] In a meeting held over the weekend, the Radical Party headed by Enrique Silva Cimma discussed the final political resolution that was approved by everyone who attended the last convention. This report has been released by Radical Party Secretary General Ricardo Navarrete, who stated that through this political resolution, the Democratic Alliance [AD] has been called upon to broaden its political and social basis in order to build a large civic front, with exclusions. This front will include all those democratic parties, movements, or organizations that want to achieve a democratic process through peaceful means and a general consensus.

He added that should the AD fail to achieve its objective, the Radical Party will claim its independence and call all political and social forces based on [words indistinct] of the general meeting or directly with the party's secretariat.

NATIONAL PARTY LEADER VIEWS MOVEMENT TO MUN

PY150146 Santiago Radio Chilena in Spanish 1730 GMT 14 Aug 85

[Excerpts] Talking to Radio Chilena reporters, National Party President Carmen Saenz commented on what political observers have regarded as a blow for her party, that is, the fact that Pedro Ibanez and Francisco Bulnes Sanfuentes have joined the National Unity Movement [MUN]. After a lecture delivered by Eugenio Velasco Letelier last night, Radio Chilena talked with Carmen Saenz. Saenz said that the move was tactical, aimed at concealing serious internal problems within the MUN. Radio Chilena reporter Mario Gomez Lopez asked the following:

[Begin recording] [Gomez] It seems that several major personages are leaving their positions within the government to join a political sector outside the traditional Chilean rightist movement, as in the case of the National Party. It seems they are going somewhere else. This includes Monica Madariaga. What can you tell us about this, about Pedro Ibanez, Francisco Bulnes, and Monica Madariaga departing and joining a political sector, so to speak, that the government itself has banned? What is this? Is it a tactical move?

[Saenz] There are several opinions on this subject. It has been suggested that it is like replacing a member of a team, that is, a new member takes the place left by another.

However, that politicians who followed a democratic course before 11 September [1973], who are Council of State members and who have participated in the drafting of the Constitution, should in so many ways hinder the restoration of democracy is really confusing. I also believe Monica Madariaga's attitude is confusing. I would like to speak very openly. I believe one should not have confidence in these types of reactions which, instead of helping to reach an accord, are distorting or rather causing uneasiness among the people. [end recording]

REPUBLICAN PARTY HEAD VIEWS STATUS OF RIGHT WING

PY141759 Santiago HOY in Spanish 5-11 Aug 85 pp 25-26

[Interview with Armando Jaramillo Lyon, recently elected president of the Republican Party, by unidentified HOY reporter; time and place not given]

[Excerpt] [Reporter] Tell us the names of the right-wing parties you think are democratic.

[Jaramillo] I would say that term applies to the National Party, the Liberal Party, and we, the Republicans.

[Reporter] Is that all there is to the Democratic Federation?

[Jaramillo] There may be a few scattered independents that we could pick up. I believe that within the National Unity there are probably some people who are misplaced or who may have ideological problems with their party in the future. I cannot imagine a friend of mine, a former classmate and deputy for Colchagua, Fernando Maturana, applauding the views of Pedro Ibanez concerning restricted suffrage.

[Reporter] And speaking about the Federation...

[Jaramillo] There are some people who have yet to find their place, but I have no doubt that sooner, rather than later, they will have to join the Federation: prestigious men like Francisco Bulnes, for example.

[Reporter] However, it seems there is some overlapping in the federation because two of the member parties belong to the Democratic Alliance and the third one...

[Jaramillo] I believe the members of the National Party have a problem of sorts. They have an internal problem with the National Unity and fear that if they get any closer to the Democratic Alliance they will have desertions. I believe they are wrong: There are things in life that must be given up and one must give them up at the right time and keep going.

[Reporter] Certain sectors of the right that support the regime are accusing your party, first, of being the caboose of the Democratic Alliance; and second, of seeking the forgiveness of the opposition.

[Jaramillo] The truth is that within the Democratic Alliance we have maintained our independent stance. For example, when our friend Radomiro Tomic wanted to get the alliance involved in the problem of the copper miners, the Republican Party used its veto powers and that was decisive.

The situation of the right-wingers who are accusing us is quite different. They have been unable to maintain the democratic principles that they preached in the past and have remained subordinate to the all-powerful chief of state.

On the other hand, I cannot recall any past political sins that could compel us to seek forgiveness. We have always been hard-working and broad-minded.

[Reporter] What does the Republican Party think of the Alliance Civic Front idea?

[Jaramillo] We strongly support the Civic Front, but we believe it must be a broad front in order to be effective; that is, it must be open to all who are willing to struggle peacefully and with loyalty for the restoration of democracy. I believe all such people should be welcomed. We do not want violence of any sort, either by pro-government or extremist sectors.

[Reporter] Are you talking about the Chilean Communist Party [PCCh]?

[Jaramillo] I believe the PCCh will also understand that it will have to accept the rules of the game if democracy is to be restored, and that violence only serves to justify the continuation of Pinochet in power.

[Reporter] Juan Manual Alvarez and Anibal Scarella, two members of your party executive board, have signed the Democratic Intransigence manifesto. Now that this group has become an organization, what will the Republican Party do?

[Jaramillo] I believe the Democratic Intransigence is now a failure. It has been a failure since the Socialist Party walked out of it. The Democratic Intransigence does not represent a majority because it is not backed by a majority.

[Reporter] Would you say the historical relations between your party and the left hav undergone changes in these years?

[Jaramillo] Old liberals like me have never had any personal problems with the left. We had and we continue to have differences of a doctrinary nature.

[Reporter] I am asking you because you are partners in the Alliance and because you came closer in the Democratic Intransigence....

[Jaramillo] And we may come close to a much broader sector in the Civic Front. I consider this issue from a rather professionally distorted viewpoint, because I regard the Civic Front as a "quasicontract," binding several people who have become partners simply because of something they have in common, and not because they have openly declared their willingness to become partners.

[Reporter] What is, in your party's opinion, the immediate objective of the Front?

[Jaramillo] To create a group of people from a broad political spectrum that will tell everybody, urbi et orbi: Gentlemen, we are tired of the dictatorship and we want to resort to all legitimate and peaceful means to find a reasonable conclusion for these 12 years.

[Reporter] Will the group tell this to the Armed Forces?

[Jaramillo] Exactly, I want to stress that I hold the Armed Forces in very high regard, because to some extent I agree with what Salvador Allende used to say when he qouted Che Guevara: The Armed Forces are nothing but the people in uniform. Let us not talk nonsense because the Armed Forces do not have much influence. The government has been seized by a group of people who have created a political front with the help of the Armed Forces' support and prestige.

ARMED FORCES LEADER RULES OUT TALKS WITH M-19

PA141337 Bogota EL TIEMPO in Spanish 9 Aug 85 p 7 a

[By German Acero Espinosa]

[Text] The Armed Forces have warned that the case of the tortures is nothing more than a "well orchestrated plan to discredit the institution," and announced a "total war against the M-19 [19 April Movement]" after the guerrilla movement broke the truce with President Belisario Betancur's government.

Armed Forces Commander General Augusto Moreno Guerrero spoke at the inauguration of the "El Sosiego" residential area for noncommissioned officers, and referred to the propaganda that has been unleashed against the Armed Forces. The military has been accused of torturing several members of the M-19, who have been accused of stealing arms from the Military Institutes Brigade (BIM) in Norte.

"I believe this and other cases that we see daily in the press and the amount of stories that are made up, are focused on discrediting the Armed Forces. It is a well orchestrated plan to try and break our unity," the officer said.

He warned, however, that those who are trying to do this will not achieve their objective because now more than ever the Armed Forces are closely united around President Belisario Betancur and Defense Minister General Miguel Vega Uribe, top commanders of the military institutons.

In a respone to an EL TIEMPO question on whether the defense minister should or should not resign after the Armed Forces expressed their full support of him, General Moreno said: "I cannot give you an outright answer to that; it is a high-level political issue. However, what I can guarantee and confirm is the absolute and total unity of the military sector through and around General Vega Uribe."

"It falls to the political sector to analyze and look at this situation," he said. He also warned that the Armed Forces will continue operating throughout the country to counteract the offensive unleashed by some guerrilla groups such as the M-19, which recently declared it was breaking the truce with the government.

"It is necessary, now more than ever, to counteract that offensive which has killed so many Colombians and stained the peoples of Colombia with blood," he said, adding that the number of deaths is worrisome and very painful just as "the number of subversive casualties has also been very high." General Moreno Guerrero insisted that this situation has placed the Armed Forces in a very difficult position, because they must use the elements bestowed upon them by the Constitution, the laws, and the government itself, for the defense of democracy. He also admitted that we are currently experiencing a very serious and worrisome situation of internal conflict: "However, if there is no other way to make these men understand and they continue attacking and killing our people, we will confront them with every means available to the Armed Forces and the police."

Regarding reestablishment of dialogue with the M-19, General Moreno Guerrero said: "It is a political issue, but it seems to me that there is nothing left to discuss. They were given the opportunity of a truce and a dialogue, and the government very generously extended its hand. They turned their backs on us and responded by firing against our troops. I believe that the sitution is too difficult and complex to resume the dialogue."

"If they want war they will have it," he warned and added that the "Armed Forces must operate where circumstances regarding public order in the country demand it, to guarantee the safety and peace of all Colombians."

"Therefore," he said, "we will continue our operations to the extent that the armed subversive groups continue causing problems in the country."

Asked whether the truce has been successful or not, he said: "We already have examples and have debated this at the Chamber of Representaives. We hope the subversives, who have had an opportunity, will demonstrate with real, truthful, and sincere facts that they want the truce, and that they will withdraw, lay down their arms, and stop their armed action. [no closing quotation as published] On security, he said that the Armed Forces will continue operating, although he expressed concern over increased kidnappings in the country, which "are becoming a challenge."

M-19' S NAVARRO WOLFF DISCUSSES TRUCE, DIALOGUE

PA141639 Panama City Panavision Television in Spanish 0000 GMT 14 Aug 85

[Report by Justo Fidel Palacios; passages in quotation marks recorded]

[Text] Guerrilla leader Antonio Navarro Wolff has accused the Colombian Army of thwarting the truce signed by the M-19 and the Belisario Betancur government. In an exclusive interview granted to SNN [National News Service -- Servicio Nacional de Noticias; name of newscast] Navarro Wolff, in charge of the M-19 talks with the Colombian Government, said:

"(?I) was in charge of the political work in the country. We were unarmed, without uniforms, without anything, with empty hands, risking our necks for President Betancur's peace policy. They tried to kill me. The Army staged operation after operation against the companeros who maintained their weapons, but observed the truce. The biggest military battles in the country took place during the truce. The urban camps which were peaceful camps that we had set up in the poor neighborhoods of Bogota, Cali, and Medellin were raided more than 100 times. They hounded us so much that they really prevented us from carrying out politics openly as we had done for 10 months. Nevertheless, if there is any possibility of reaching an agreement, we continue to be willing to reach an agreement, if there is any possibility of a constructive dialogue and progress, we will talk with anyone."

Regarding the alleged M-19 involvement in the kidnapping of businessman Sam Kardonski [a Panamanian businessman], Navarro Wolff, who uses a wheelchair since he lost a leg in a bomb explosion emphatically stated: "We have nothing to do with his kidnapping. We have never operated militarily in Panama. We have nothing to do with any confrontation with Panamanian bankers. We respect each other. We absolutely respect Panama's economy and its sovereignty. Such reports are false. We do not really know the origin of such reports but they are absolutely false."

Antonio Navarro Wolff, a member of the M-19 high command, denied any links between the guerrilla movement and drug traffickers. He said:

"We have not had any relationship with them. We have repeatedly said we are not interested in any relations with them. Now that the war broke out between the drug traffickers and the Colombian Government due to the assassination of Minister Lara Bonilla, which we condemned at that time, the drug traffickers have tried to make some overtures to us so as to pressure the government to reach an agreement with them. They have said that they want to speak with us but there has never been an official meeting between drug traffickers and the M-19 to discuss anything. Those are verions of Lewis Tambs, the former gringo ambassador, who spoke of the drug trafficking guerrillas. I would say that in Colombia there has been a drug trafficking system."

SALVADORAN MINISTER VISITS, DISCUSSES GUERRILLAS

PY142103 Madrid EFE in Spanish 0016 GMT 14 Aug 85

[Text] Asuncion, 13 Aug (EFE) -- Salvadoran Defense Minister General Carlos Eugenio Vides Casanova today said the Salvadoran guerrilla movement has lost the military capability to seize power. He also charged Nicaragua with financing and rearming the guerrillas.

The minister, who today began an official visit to Paraguay which will end on 18 August, said that currently the Salvadoran guerrilla movement has been reduced by 50 percent and lacks the strength to seize power. The Salvadoran minister arrived in Asuncion today in response to an invitation by the Paraguayan Government to attend Asuncion's 448th anniversary celebration on 15 August. President Alfredo Stroessner's 31 years in power will be celebrated on the same date.

According to Vides, the Salvadoran guerrilla movement can only continue to damage his country's economic infrastructure. He added that it has lost the people's support completely. He also charged Nicaragua with supplying the guerrillas not only with arms and ammunition but also with money to finance the subversive movements, to train fighters, and to provide ideological support.

Vides said the weapons used to oust Anastasio Somoza's government were Venezuelan-made automatic rifles with their serial numbers erased, and that these are now being used in El Salvador. He added that the weapons used by the Salvadoran guerrillas come from Vietnam through Yugoslavia, Ethiopia, Cuba, and Nicaragua. The minister went on to say that the flow of supplies to the Salvadoran guerrillas from Nicaragua has met difficulties, thus confronting the guerrillas with a shortage of food and ammunition.

Vides disclosed that currently the Salvadoran Armed Forces have 50,000 men and 48 battalions trained in antiguerrilla warfare, but that it took them 4 years of hard work to achieve this. According to the Salvadoran visitor, the guerrilla forces have recently been the target of attacks in all areas of the country in which they operate. He also said at least two or three members of the guerrilla forces surrender each day and hand over their weapons because the government pays each of them the equivalent of $400. Vides admitted that the struggle against the guerrillas demanded a costly transformation of the Salvadoran Armed Forces and that this process started in 1981.

The Salvadoran minister concluded by stating that so far, six guerrilla commanders have been arrested and that they know where Nicaragua started to supply the guerrillas, which is very important information for the Armed Forces' planning.

Today the Salvadoran visitor met with his Paraguayan counterpart, General Gaspar German Martinez, and paid homage to the Paraguayan heroes by placing a wreath of flowers at the National Mausoleum in downtown Asuncion. The Paraguayan Government plans to decorate Vides, who is also scheduled to meet with President Stroessner.

[Paris AFP in Spanish at 0212 GMT on 14 August adds: "Salvadoran Defense Minister Eugenio Vides Casanova, who arrived in Paraguay today on an official visit, tacitly admitted the possibility that the Salvadoran Government would request the intervention of the United States in its struggle against the guerrillas.

["After asserting that the guerrilla movement is being gradually defeated on all fronts, Vides said that if the Salvadoran guerrilla movement grows to a point that it cannot be stopped, the Armed Forces are even willing to ally with the devil to prevent it from seizing power.

["Minister Vides said that they would rather have direct U.S. military assistance than allow the 'banning of liberties, slavery, and a communist dictatorship such as have resulted in all governments guerrillas have seized.'"]

ARCHBISHOP DENOUNCES MISTREATMENT OF INDIANS

PY092150 Paris AFP in Spanish 1621 GMT 9 Aug 85

[Text] Asuncion, 9 Aug (AFP) -- Asuncion Archbishop Monsignor Ismael Rolon today asked the Paraguayan authorities to adopt urgent and strong measures for the equitable distribution of unproductive land in view of growing conflicts over the eviction of thousands of peasants.

The archbishop thus supported a document on the land situation published by the National Organization of Missions of the Paraguayan Episcopal Conference [CEP], which considers the peasants' situation critical and inhuman.

The Organization of Missions reported that peasants with no land titles have occupied and cultivated the land for many years with the firm belief that it belonged to no one, was state-owned land, or that it had been inherited from their ancestors; but they were suddenly raided by alleged owners who, in complicity with the authorities, burned their huts.

According to Catholic Church officials, these criminal actions have spread terror among peaceful citizens, leaving families without shelter and with no one to defend them.

Before the arrival of so-called civilization, they had a limited habitat for their daily existence, but today they are disputing with civilized men for a piece of land for their survival. Referring to the situation of the 50,000 Indians living in Paraguay, Msgr Rolon said they are being threatened and treated with violence by abusive individuals.

The archbishop, who also chairs the CEP, said the owners of large properties are responsible for this painful situation because they do not even know their land and do not cultivate it, holding it only as negotiable reserves. He also reported that recently it has been discovered that some of these large holdings, abandoned by their owners, have been exploited by wrongdoers to plant marijuana.

The National Organization of Missions reported the violent eviction this week, in rainy and cold weather, of Maya Indians from land belonging to Blas N. Riquelme, head of the Paraguayan Industrial Union, in Caaguazu Department, some 200 km from Asuncion.

Members of this community had to walk 55 km in rain and through mud, crossing a large river, to reach the locality of Itakyry to ask for legal aid, according to the accusation.

The document reporting these events, submitted to the Paraguayan Institute for Indians, has been denied by Riquelme, the influential local businessman who termed the accusation an attack on his dignity.

PRESIDENT GARCIA DISCUSSES ECONOMIC POLICY

PY142105 Lima Cadena Panamericana Television in Spanish 0300 GMT 13 Aug 85

[Text] President Alan Garcia Perez tonight announced that the price of vegetable oil is to be reduced 10 percent and that public enterprises and development banks are to be reorganized. He also indicated that he will ask Congress for a monthly ceiling of 15 million soles on the highest salaries in public administration. The president talked about these and other topics of great interest in an impromptu press conference at Government Palace after administering the oath of office to Antonio (Dies) de Bernales as the new president of the Lima Public Welfare Office.

[Begin recording] [Reporter] Could you give us a little bit more information on the announcement you just made concerning the reduction in the price of vegetable oil?

[Garcia] Yes. As you know, we are in a period when prices should be maintained at the level of 27 July. There is no reason for them to go up, because the cost of money has been lowered for the coming production cycle. Just as cement produced by Lima Cement must be sold at 4,000 soles less, 10 major medicines and flour must be reduced from 10,500 to 9,400 soles. Today, during a conversation with a group of ministers who are commissioned at the enterprises that market edible oil, we agreed to grant a first discount in the sale price. I say the first discount, because I am sure there will be more discounts later. The mixed edible oil that is consumed will be reduced from 18,000 to 16,500 soles; vegetable oil will be reduced from 22,000 to 20,000 soles; and canned mixed oil will be reduced from 16,500 to 15,000 soles. In this way, the prices of oil will be reduced in equal proportion at the sale outlets. The price of oil cannot be increased for any reason, and, on the contrary, the reduction of its price must be demanded since the factories have reduce it.

I have been visited by the executives of (Cuvisa), a firm that manufactures textiles, who patriotically joined this campaign without being asked. They came to tell me that they have decided to narrow their profit margins during this emergency situation the country is facing, and that the prices of fabrics such as denim, drill and poplin that are used to manufacture school articles will be decreased by 10 to 15 percent. I again call on all industrial and business sectors of the country, especially those that have a monopolistic of oligopolistic advantage, to understand that the people have so far suffered the most from the cost of the crisis by seeing their salaries reduced. If we cannot now increase those salaries, we can ask that the margins of profits be reduced, considering that the cost of money has been reduced by lowering interest rates.

I also want to announce something very important: the interest rates have been reduced from 280 percent a year to a maximum of 110 percent. This is to say that anyone who asks a bank for a 100-sol loan will have to pay only 110 soles in interest at the end of the year. But for the transformation to go deeper, we need to reactivate not only urban industry and commerce but fundamentally agricultural activities. And we have decided to reduce even more the credits [as heard] and interest rates for agricultural activities, especially in the Sierra region. To charge interest of 50 to 60 percent a year, not the 110 percent to be charged in the cities to those producing potatoes, quinoa, wheat, or oats in the Sierra, is an absolutely revolutionary measure.

To this effect, the second step the government will take is reactivating agricultural activities, as we promised during the electoral campaign. Agricultural reactivation socially determines the lot of millions of peasants. I am almost certain that we will be able to establish 50-percent interest rates on agricultural credits in the Sierra, where the forgotten and neglected sector lives.

The promotion of interest rates much lower that those charged on other activities has already begun in the Sierra. This promotion will encourage internal production and will reverse our position as a food-importing country.

[Reporter] One of the requests of the Puno peasants, Mr president, is that the Agrarian Bank be reorganized. What can you tell us about this? Will something be done?

[Garcia] We have so far requested that Petroperu be reorganized, but I will ask Congress to determine the reorganization of all public enterprises, including the commercial banking system. What I can say is that I am proposing, in my capacity as head of state, that the executive branch and Congress set a maximum salary of 15 million soles for public servants. There are now officials who earn 64 million soles per month, plus 1 billion soles as a bonus. This represents an average of 160 to 170 million soles per month. Very well, our public servants, the current president of Petroperu, for instance, will earn 15 million soles paid out in 12 salaries, not in the 18 as before, and will not receive any additional bonus as they did last year. We have to show that governments can be differentiated by their moral standards. We join public service to serve, not to amass wealth at the expense of the Peruvian people's poverty.

[Reporter] Regarding the bill for the reorganization of the police forces, there have been modifications that will have to be approved by Congress. Do you agree with those modifications or just with the initial bill?

[Garcia] I believe that is the result of the concern and zeal of the majority in Congress to ensure that the reorganization of the police forces is thorough, not only because they have been proven to be involved in crimes but also because there has been a lack of competence in the performance of their duties. I believe that the police, as no other institution, deserves total and absolute confidence. We must trust the good policemen and keep them in the forces. However, policemen who lack honesty and competence, or who have been accomplices by keeping silent cannot remain in an institution charged with the security of the population and the investigation of crimes.

[Reporter] Mr President, in the case of people who have been indicted for drug trafficking, mainly politicians who may be found guilty, what sanction should they receive?

[Garcia] The sanction that should be applied to anyone who has been found involved in drug trafficking. I have proposed that henceforth not only drug trafficking but drug consumption should be penalized. It should be considered that there are several poor women who are in jail with their children for selling small packages of drugs. At this time, drug consumption is not penalized in Peru. I say that henceforth, not only the suppliers but the consumers of drugs must be penalized. I hope Congress will agree with me on this.

[Reporter] Your wife has just visited Puno on a working trip. Is this a signal that the decentralization process has begun?

[Garcia] The decentralization has not begun because my wife has gone to Puno. This is a political process that will be put under way as soon as the ministries begin to decentralize their administration. In my 28 July speech I said that there are ministries with almost 60 percent of their functionaries in Lima and almost none in the peasant communities.

I also said that the state cannot be centralist, because it then becomes a bourgeois state, a superfluous state. It must be a productive state with the capacity to operate in the most remote corners of the country. To this end, the decentralization of the agricultural, mining, housing banks, and the public administration, especially the health and education agencies, will get fully under way in the coming months.

[Reporter] What about the foreign debt?

[Garcia] Regarding the foreign debt, we have a position toward the U.S. banks that is the same as that toward the European and Japanese banks. Our position is in regard to the foreign debt in its entirety. We make no distinction over the banks' nationalities. The banks and the capital have no nationality. They are simply international or hegemonic capital. Our position has found approval in many world circles as a realistic, not a preposterous position. I believe it will yield good results when we sit at the negotiating table. The bankers will surely understand that they are also responsible for this unjust debt and that we will pay the debt in terms more favorable for our people, both in terms of deadlines and interest rates.

What I want to say is that we will only apportion 10 percent of our exports to servicing our foreign debt, and the remainder we will apportion to what I have called our internal debt, which is not only with the Lima workers and employees, as some wrongly understand, but also with the peasants who for centuries have not been counted among the unemployed in the shantytowns of Lima.

Today, the mayoress of Independencia was here, and tomorrow I will meet with her and her councilmen and the Mother's Club. I hope to be able to invite the mayors of other neighborhoods of the shantytowns of Lima. We can then together understand that the state is not just the public bureaucracy, the unionized workers, but is also the other Peruvians, 75 percent of them, who are the peasants or the unemployed in the shantytowns of Lima.

[Reporter] Regarding the position you have adopted toward the foreign debt negotiations, Cuban President Fidel Castro has expressed some criticism. What can you say?

[Garcia] Well, I do not have to answer Fidel Castro, who is a foreign statesman. I have to give an answer to my people. I would say that Mr Castro owes tens of billions to the Soviet Union, which knows why it does not try to collect. But as far as I know, Fidel Castro is a good payer of the small debt he has with the Western banks. He is at this time negotiating with the European banks. So the advice that Peru should not even apportion 10 percent is bad advice.

[Reporter] Is he an interested party?

[Garcia] I would not go so far as to say that about a foreign statesman who I historically respect and appreciate, but who at this time seems to be referring to a different reality. We owe the Western banks, and we are and we have been subjected to the IMF. Mr Fidel Castro owes the Soviet and Eastern state banks, and he is subjected to a different kind of organization. So our problems are different, as are our solutions.

[Reporter] Which medicines will have their prices reduced?

[Garcia] We have announced price reductions for the most important medicines, the proprietary medicines that have the largest consumption. We understand that the manufacturing laboratories are calculating new profit margins. In two words, the people of Peru who have jobs have already lost much of their income and salaries; and the people who do not have jobs have lost in terms of disease and death. I am not asking industry to lose money, because if industry loses, it stops. But I am asking it to make a sacrifice on behalf of Peru, to refrain from making big profits.

[Reporter] Can you tell us the first results of the economic measures your government has dictated?

[Garcia] Very positive, very positive. Those who work patriotically in Peru's favor, giving employment, understand that the reduction in interest rates is a positive measure to curb inflation, which increases prices. Those who know that Peru needs to save its economic resources to purchase wheat, medicines, and basic products realize that the control over the exchange rates was indispensable to prevent the flight of dollars. In sum, those who were poor earning 300,000 soles as minimum salaries, now know that the government thinks about them because their salary has been increased to 540,000 soles. The government does not just think of those who earn 5 or 10 million, but fundamentally it thinks of the employed who earn the minimum salary.

Below this minimum salary, there can be found peasants and unemployed in the millions who need the country to support them. This will have to be the second great leap forward we will take in the next 2 weeks, with our offensive in the rural area by reducing the rates of interest in the Sierra and along the coast for food-producing activities. Thank you very much. [end recording]

GARCIA, NEW URUGUAYAN ENVOY URGES CONCERTED ACTION

PY140335 Paris AFP in Spanish 2350 GMT 13 Aug 85

[Text] Lima, 13 Aug (AFP) -- Upon receiving the new Uruguayan ambassador's credentials today, President Alan Garcia called upon Latin America to undertake a concerted action at international forums in order to build a solid foundation for our actions on specific problems we may confront in the immediate future, like the foreign debt. Alberto Rodriguez Nin, the new Uruguayan ambassador, is the first ambassador to be accredited in Peru after Alan Garcia's inauguration on 28 July.

I am sure we share the desire to be free from any hegemony and to struggle against the one that is oppressing us without yielding to the strategy of any other hegemony, the president said.

For his part, Ambassador Rodriguez said the Latin American integration will be our best answer to the serious difficulties we are confronting, difficulties which are not new but which have reached unacceptable levels.

The diplomat blamed these difficulties on the selfishness of the industrialized countries, which have resorted to more subtle methods to continue exploiting us as they did during colonialism. The final result is the same, that is, our peoples' living standards are increasingly lower whereas theirs are increasingly higher, he said.

FOREIGN MINISTER COMMENTS ON REORGANIZATION

PY141843 Lima Cadena America Television in Spanish 0340 GMT 14 Aug 85

[Text] Foreign Minister Alan Wagner Tizon announced today that the reorganization of the diplomatic service has begun, in compliance with a decision made by President Alan Garcia. The announcement was made during a meeting with chiefs of diplomatic missions and representatives of international organizations who came to greet the new foreign minister at the Torre Tagle Palace. The spokesman was the apostolic nuncio, Msgr Mario Tagliaterri, senior member of the diplomatic corps.

Minister Wagner Tizon thanked the foreign representatives for their greetings, and told them his administration will follow the principles of nonalignment and intensification of international relations at all levels. He later announced that President Alan Garcia will travel to the United States to deliver a speech before the United Nations.

[Begin recording] [Wagner Tizon] The austerity plan in the Peruvian foreign service, which was announced by Dr Alan Garcia Perez, is under way. Here at the Foreign Ministry, we are completing preparations for the reorganization of diplomatic personnel, including personnel in the diplomatic service and the civilian staffs of our embassies. The decisions we arrive at will be presented to President Alan Garcia for his final approval.

[Unidentified reporter] What will be the extent of that reorganization or restructuring, and what measures have been taken for the visit of Dr Garcia Perez to the United Nations?

[Wagner Tizon] You will learn about this measure when the pertinent announcement is made. It will be an important reorganization intended to improve the executive capacity of the Foreign Ministry and the foreign service regarding Peru's traditional policy. As for Dr Garcia's trip, we are planning his activities in New York. Of course, I will consult with him, and, once the program is established, we will make it public.

[Reporter] Is the visit of Dr Alan Garcia to the United Nations confirmed?

[Wagner Tizon] According to the president, his intention is to attend the UN General Assembly. [end recording]

BRAZIL'S SARNEY CONCLUDES VISIT, DEPARTS 14 AUG

Addresses ALADI

PY140241 Paris AFP in Spanish 2048 GMT 13 Aug 85

[Text] Montevideo, 13 Aug (AFP) -- In a speech delivered here today before ALADI, Brazilian President Jose Sarney said that Latin America is undergoing a process of revival of the people's participation in political life, and that the new democracies have strengthened Latin American aspirations for integration.

Sarney, whose official visit to Uruguay will last almost 50 hours, said that the legitimacy of the regional governments supports the initiatives seeking to promote integration and coordination. The president admitted that Latin America is confronting problems but said that those who believe Latin American nations will be discouraged are wrong.

According to the president, those difficulties reflect, to a considerable extent, the general economic declines that have had negative effects on the region, despite the priority treatment given to the liberalization of regional trade.

Sarney complained about the unfair world order that has seriously affected the region, and stressed that this is the worst crisis in Latin American history. He pointed out that the crisis will be further aggravated to the extent that the developed countries do not implement the proposals for solving the economic imbalance.

Sarney blamed some of the region's problems on the heavy financial obligations Latin American countries must honor and on the increasingly protectionist policies, which have made it more difficult for us to obtain trade surpluses with which to repay our debts.

Sarney also pointed out that the economic adjustment projects, implemented at the expense of the legitimate aspirations of our peoples, have been hindered by a lack of control on interest rates, whose unpredictable trends depend on unilateral economic policies. According to Sarney, Latin American nations have had to look for trade surpluses in other markets because the crisis has also affected regional trade.

The Brazilian president praised the example of the Cartagena Consensus, in which several Latin American countries are trying to find a solution to the foreign debt issue with the political objective of attaining long-term stability, without advocating whimsical confrontations or radical attitudes.

In this regard he stressed the need to redouble our efforts to achieve regional integration, because the priority targets of our international economic policy apparently depend on the serious financial problems affecting the continent.

We have an urgent task to fulfill. We must speed up the mechanisms for promoting integration and we will need the political will to go ahead with this process, the president said. He reiterated that Brazil has given priority treatment to its commitments regarding the process of economic integration and commercial liberalization in Latin America.

DIscusses Ties With Cuba

PY150302 Madrid EFE in Spanish 0024 GMT 15 Aug 85

[Text] Montevideo, 14 Aug (EFE) -- Brazilian President Jose Sarney stated here today that the resumption of diplomatic relations with Cuba is a national security issue for his country.

Sarney also referred in general to the nondemocratic governments in South America and reaffirmed that Brazil follows a noninterventionist policy. He noted, however, that Latin America is going through a stage in which it is expected that freedom will be ultimately restored.

During a long press conference, Sarney answered a question regarding the obstacles preventing Brazil from resuming relations with the government of Cuban President Fidel Castro. It is normal for nations to have diplomatic relations. The abnormality is the absence of such relations, Sarney said.

Sarney added: The international situation that prevailed when Brazil severed its relations with Cuba no longer exists. In this respect, we have ordered a study of our diplomatic relations; but in accordance with our laws, we must listen to the opinion of the National Security Council.

Sarney recalled that late President Tancredo Neves had given a similar reply to this question, and added that this is a national security issue. Sarney admitted that Brazil maintains cultural and political exchanges with Cuba and stated that relations will be normalized in an atmosphere of absolute tranquillity, without emotion.

Asked whether the continuity of the Paraguayan and Chilean regimes is detrimental to the unity of the Southern Cone countries, Sarney said that Brazil has always respected nonintervention and a people's right to self-determination.

Sarney added: Political parties have every right to examine this problem on their own and we can in no way fail to state that we would be extremely satisfied if democracy is strengthened everywhere on the continent.

Commenting on countries ruled by authoritarian regimes, Sarney said: The Brazilian priority in the international area is Latin America and, consequently, the Brazilian president is now opening a new stage by visiting Uruguay to show that we are both facing similar realities. The upsurge of democracy is a strong link in Latin America today, and we must all make a joint effort to consolidate democracy on the continent, Sarney said.

Declaration Outlines Views

PY150333 Madrid EFE in Spanish 1843 GMT 14 Aug 85

[By Alberto Pepe Leira]

[Text] Montevideo, 14 Aug (EFE) -- The Uruguayan and Brazilian presidents voiced their support for the Contadora Group, rejected any attempt to militarize the South Atlantic, and ratified their acknowledgement of Argentine sovereignty over the Malvinas Islands.

Julio Maria Sanguinetti and Jose Sarney's coinciding points of view regarding foreign policy, the payment of the foreign debt, the international economic and commercial situation, racial discrimination, Latin American integration, disarmament, and bilateral relations are contained in a 21-point declaration. Shortly before returning to Brazil after a 48-hour visit to Uruguay, Sarney and his Uruguayan counterpart signed the declaration that summarizes the views of the two new democratic governments.

Regarding the serious Central American crisis, both Uruguay and Brazil agreed that international support is necessary, especially from the Latin American nations, in order to find a prompt, just, and lasting peaceful solution for that area. Sarney and Sanguinetti voiced their support for the Contadora Group's efforts since it represents the best path to reach a negotiated solution to the problem.

Uruguay and Brazil placed their foreign ministers at the disposal of the Contadora Group, together with those of Argentina and Peru, as was agreed on 29 July in Lima, for consultations regarding subjects in which they can cooperate.

Sarney and Sanguinetti also considered as a priority goal general and complete disarmament, especially nuclear disarmament, under adequate international surveillance.

In the declaration, the two presidents reasserted their support for the complete military denuclearization of Latin America. Sarney and Sanguinetti voiced their countries' firm opposition to any attempt to militarize the South Atlantic, saying that it should be preserved as a peace and cooperation zone.

At the same time Uruguay and Brazil ratified their acknowledgement of Argentina's sovereignty over the Malvinas Islands and their desire for the situation to be solved through peaceful negotiations.

The joint declaration signed by the presidents of the two countries emphasizes universal and unrestricted respect for human rights and rejects all forms of racial discrimination. The declaration expressly condemns the violation of the aforementioned principles by the South African Government through its apartheid policy.

The Brazilian and Uruguayan chiefs of state also voiced their concern over the increasing protectionist measures implemented by the developed countries and the resulting deterioration of the multilateral commercial system.

Regarding the foreign debt problem, Brazil and Uruguay agreed, in keeping with the Cartagena Consensus, that it is necessary to seek satisfactory solutions with the full and effective participation of all creditor countries.

The two presidents believe that the problem should be viewed taking its multiple political, social, and economic-commercial aspects into account, something that is necessary in order to consolidate the democratic institutionalization process of the Latin American nations.

According to the declaration, Uruguay and Brazil have decided to meet their foreign commitments through a sustained growth of their economies and not by reducing the living standards of their people.

The declaration has a separate chapter referring to Latin American integration. In it the two countries express their strong desire to give new vigor to the inter-American system and to strengthen ALADI, the negotiation and agreement mechanisms such as the Latin American Economic System, and the River Plate Basin Treaty.

In the bilateral relations field, Brazil and Uruguay decided that, after the presidential meeting, they will perfect as much as possible their regional and border development prospects.

Seen Off by Sanguinetti

PY141700 Paris AFP in Spanish 1645 GMT 14 Aug

[Text] Montevideo, 14 Aug (AFP) -- Brazilian President Jose Sarney today left for Brazil after a 50-hour visit to Uruguay which he began on 12 August.

Sarney arrived in Montevideo accompanied by an entourage of approximately 60 people. He signed 13 bilateral accords with his Uruguayan counterpart, Julio Maria Sanguinetti. The two presidents reaffirmed their decision not to pay their foreign debts at the expense of a decline of the standards of living of the peoples of Uruguay and Brazil.

President Sanguinetti and his cabinet said farewell to the Brazilian chief executive at the Carrasco international airport.

LEGISLATOR DEPARTS FOR USSR, OTHER COUNTRIES

PY131751 Madrid EFE in Spanish 0225 GMT 13 Aug 85

[Text] Montevideo, 12 Aug (EFE) -- Roberto Asiain, secretary for international relations of the Chamber of Deputies, today departed for the Soviet Union, Austria, Finland, and Hungary, hoping to obtain support for Uruguay's current economic policy.

The deputy will visit Moscow 14-19 August to formally address the possibility of signing commercial accords to significantly expand Uruguayan exports to the Soviet Union.

Asiain, who belongs to the ruling Colorado Party, said the primary mission of his trip is to assist the Foreign Trade Directorate and the International Affairs Department of the Uruguayan Foreign Ministry, which are currently engaged in a diplomatic and commercial offensive aimed at increasing exports and paving the way for new markets for Uruguayan products.

Asiain said Uruguay is a traditional exporter of raw materials but that the new administration intends to export locally manufactured goods as well.

The Uruguayan deputy will go from Moscow to Vienna and then to Finland and Hungary.

The deputy explained that in Helsinki he will convey the gratitude of the Uruguayan people for the continuing concern about human rights in Uruguay that Nordic nations expressed during the now-defunct military regime.

PCU CALLS FOR PEOPLE'S OPPOSITION TO 'UNITAS'

PY142353 Montevideo LA HORA in Spanish 8 Aug 85 p 9

[Undated statement by Uruguayan Communist Party Central Committee, published under the headline: "The U.S. Marines Should Not Land in Our Fatherland"; capitalized passages published in upper case]

[Excerpt] The U.S. Marines, the symbol of a bleak history of intervention and invasions in sister Latin American republics and of aggression against other peoples, must not be allowed to land on our fatherland's soil.

All Uruguayan patriotic and democratic forces must reject and oppose the project allowing U.S. troops to land on the Maldonado Department coast in September as part of the "Unitas" maneuvers, because it would be an affront to our traditions and to our people.

The "Unitas" maneuvers are part of an extremely dangerous plan to militarize the South Atlantic, in coordination with the occupation of the Malvinas Islands and with the erection of a U.S. base on Easter Island, which was ceded by the dictator Pinochet.

The Uruguayan people have not forgotten that U.S. imperialism played a decisive role in the coup staged in June 1973 and in the following 12 years of dictatorship that oppressed our nation.

The Uruguayan military were trained in U.S. military academies and schools headquartered in U.S. territories and in the canal zone usurped from Panama. In complete disregard for our traditions, our history, and our ideals, the Uruguayan military stamped on the Constitution and on democracy, committed the most atrocious human rights violations, and imposed an IMF-DESIGNED economic model that was also imported from and sponsored by the United States.

Therefore, the URUGUAYAN COMMUNIST PARTY [PCU] strongly rejects the project to let U.S. Marines tarnish our fatherland's soil. Uruguay must maintain friendly relations with the other countries of the continent and therefore must oppose the "Unitas" maneuvers.

The PCU hereby calls on all political, social, democratic, and patriotic sectors to let their voices be heard in order to prevent this affront.

[Signed] PCU Central Committee.

FURTHER REPORTAGE ON NORIEGA COMMENTS, POSITION

Meets With Press

PA142357 Panama City EL SIGLO in Spanish 14 Aug 85 pp 1, 22

[Text] Answering a question asked by Panavision Television newsmen -- who yesterday attended the commemoration of the Battalion 2000's first anniversary at Fort Cimarron -- General Manuel Antonio Noriega, commander in chief of the Panamanian Defense Forces, said that the country's political situation is completely worrisome, irresponsible, anarchic, and out of control.

During a press meeting yesterday, Noriega also said: "We consider Fidel Castro's stance regarding the foreign debt to be the result of an analysis. All responsible leaders -- whether they are leftists or rightists -- daily consider the world situation. We believe this is the result of analyses carried out by their advisers."

Asked by Lissette Carrasco from LA PRENSA about a possible relationship between the Panamanian Defense Forces and belligerent groups such as ARDE [Democratic Revolutionary Alliance], Noriega answered: "We are not linked to them. And this is final. People can move freely in Panama. This, however, does not have anything to do with their ideologies, because many exiles and revolutionaries have passed through this country in the past, like Luis Alberto Sanchez, current Peruvian vice president, who sought asylum in our country."

Asked by Justo Fidel Palacios, Panavision Television news director, whether Noriega's appeal for a national dialogue meant a more militant Defense Forces stance with regard to the country's political and economic situation, Noriega answered: "Our appeal is a call of alert for all forces in the country to realize that the absence of a dialogue does not benefit anyone and that this absence entails rancor and disagreements that could lead to violence."

When Alexis the pool from Panavision Television asked about the repercussions that the application of the Letter of Intent could have in Panama, Noriega said: "I'd rather leave that to the economists. As you know, there are various schools of thought in economics. Each thinks his proposal is the best. As Panamanians ourselves, we think that the economists should provide a solution and not cling to the books of Harvard, Chicago, or any other school of political economy."

The attache of an international agency told Noriega: "Last year, you set a 1-year deadline for Dr Nicolas Ardito Barletta to solve the country's problems, or else you would take some action. That year has elapsed already." Noriega answered: "That interpretation is quite biased. It was not exactly so."

The newswoman asked him: "How long do you give him now?" Noriega answered: "It is not I who sets the deadline." The newswoman asked: "Who makes the decision?" Noriega replied: "The man and the circumstances."

"What is the country's current political situation?" Noriega said: "Completely worrisome, irresponsible, anarchic, and out of control."

Asked about a meeting of several countries' representatives in Panama City, Noriega said: "Frankly, such a meeting would only be amphictyonic [anfictionia] for the Republic of Panama. [sentence as published] If every country holds a different viewpoint, no agreement could be reached. Havana, Peru, and Mexico each have their particular viewpoints. We still don't know Panama's viewpoint."

Palacios asked him: "What kind of assistance would Panama give Costa Rica vis-a-vis the conflict in Central America?" Noriega answered: "We are making every effort to avert a confrontation. We have expressed this desire very clearly. I think a confrontation can be avoided so that those involved cannot be classified as enemies or friends."

"Are you going to Nicaragua to talk with the Nicaraguan Army commander?" "Right, I plan to go to Nicaragua this week." "Will you take journalists along with you?" "Well, I will hold consultations and then I will extend invitations," the general said in conclusion.

Speech Fuels Rumors

PA150153 Panama City EXTRA in Spanish 14 Aug 85 p 4

["Comment of the Day" column]

[Text] General Manuel Antonio Noriega, Panama's Defense Forces chief, delivered a speech on the first anniversary of his appointment to the top post of the Panamanian military forces, in which he referred to political and domestic issues which caused surprise, unrest, and concern in civilian circles.

In his speech, Noriega talked about a deep crisis, anarchy, disorganization and of increasing unrest and dissatisfaction among workers, among workers, peasants and industrialists.

For local observers, his speech seems to convey the idea of the end of the constitutional state, of the imminent fall of the unsuccessful head of state, who walked into the electoral process promising to resolve the nation's crisis and give the right response to the people's demands for work, housing and education -- issues that could cause serious conflicts and in which the head of state's efforts have been useless.

For Panamanian political observers, General Noreiga's words and the tone in which he pronounced them can be interpreted to mean that the military forces no longer support President Ardito Barletta. According to rumors, President Ardito Barletta's days at the Palace of Herons are up. Without partisan or political support, with an increasing deterioration of society, with the regime losing credibility, with the people's dissatisfaction expressed every day through complaints and demands, and finally, without the support of the rifles, there is nothing else for him to do but pick up his hat and make his exit from the stage of the Panamanian drama.

COSTA RICA

FOREIGN MINISTER DENIES NICARAGUAN ACCUSATIONS

PA150156 Paris AFP in Spanish 0014 GMT 15 Aug 85

[Text] San Jose, 14 Aug (AFP) -- The Costa Rican Government has reported new Sandinist violations of Costa Rican territory, and denied the contents of a recent protest note from the Nicaraguan Government. In a letter to his Nicaraguan colleague, Foreign Minister Carlos Jose Gutierrez accused the Sandinist leaders of being "evasive and irresponsible" and of "gravely endangering peace in the region."

The note denies the contents of a Sandinist protest note in which that government reports that three airplanes coming from Costa Rica flew over southern Nicaragua last 26 July, and later returned to that country. Gutierrez states that, on the contrary, on that day four Sandinist Air Force airplanes entered Costa Rican territory "and indiscriminately bombed the civilian population" in Barra del Colorado on Costa Rica's Atlantic coast.

The Costa Rican foreign minister said that the incident was not an isolated case, referring also to a mortar attack against the Westomate region in the Pacific area on 12 August. Within this context, Gutierrez said he doubted the peace proposals made by Nicaraguan President Daniel Ortega to Costa Rican President Luis Alberto Monge on 2 August. He said that with these actions, the Sandinist Army has made his statements "empty, void, and what is even worse, false."

GOVERNMENT PROTESTS EPS VIOLATION OF TERRITORY

PA150241 Hamburg DPA in Spanish 0225 GMT 15 Aug 85

[Text] San Jose, 14 Aug (DPA) -- The Costa Rican Government protested today "the Sandinist People's Army (EPS) attack on Conventillos on the Costa Rican-Nicaraguan border. [quotation marks as received] According to the protest note, Nicaraguan soldiers opened fire on Costa Rican territory in the place called Montes de Oro in Conventillos. The protest note details the attack in which "the Nicaraguans use mortars and rifles." According to the note, the mortars fell up to 800 meters inside Costa Rican territory. The note of protest added that this is "another of the violations of our national sovereignty by Nicaragua in recent months" and it requested that Nicaragua "explain this new attack, and ensure that it will not be repeated."

NEWLY NAMED NICARAGUAN AMBASSADOR REJECTED

PA150223 San Jose Radio Impacto in Spanish 1830 GMT 14 Aug 85

[Text] The Costa Rican Government has refused to approve to the newly appointed Nicaraguan ambassador to Costa Rica. Claudia Chamorro was proposed by the regime of the nine commanders to replace Leonor Arguello as Nicaraguan ambassador to Costa Rica. Before diplomatic relations between the two countries are normalized, it is necessary that the Sandinist government present to our country an apology for the aggressions against our national territory by the Sandinist People's Army.

Costa Rican Foreign Minister Carlos Jose Gutierrez said that this is the main reason for the rejection of the future Nicaraguan ambassador and added that there is nothing personal against Claudia Chamorro. Foreign Minister Gutierrez said that this is one of the measures of pressure adopted by the Costa Rican Government against the Sandinists and that these were announced weeks ago.

EL SALVADOR

DUARTE EXPRESSES DESIRE FOR 'AUTHENTIC' DIALOGUE

PA150139 Panama City ACAN in Spanish 0113 GMT 15 Aug 85

[Text] San Salvador, 14 Aug (ACAN-EFE) -- Salvadoran President Jose Napoleon Duarte today reiterated his desire to continue an authentic dialogue with the rebel groups to find a rapid solution of the war in El Salvador. In brief statements to the press, the president said that his government is willing to continue the dialogue with the guerrilla groups on any day and on any date, "tomorrow if they want," as long as it is "sincere, in search of peace, and the humanization of the war."

"However, I am not willing to lend myself to a tactical or propagandist game," Duarte said. The government and the insurgents already met on two occasions last year, but the process is currently at a standstill.

Referring to the recent pastoral letter published by the Salvadoran bishops, the president said that it is a "prophetic demonstration, a sincere document that calls on all of the people to support the continuation of the dialogue." In this document the Salvadoran Catholic Church stated that the dialogue is the only rational and fair way to resolve the armed conflict the country has experienced for the past 6 years.

President Duarte announced that within the next few months he will make a trip to the University of Boston in the United States where he will receive an "honorary" doctorate of law, but he did not give the date of his departure. The Salvadoran president will also travel to Spain and other European countries at the beginning of next year, Foreign Minister and Vice President Rodolfo Antonio Castillo Claramount said today.

GOVERNMENT ASSAILS FMLN-FDR 'POLICY OF DECEIT'

PA150203 Hamburg DPA in Spanish 0122 GMT 15 Aug 85

[Text] San Salvador, 14 Aug (DPA) -- In an official communique, the Salvadoran Government today stated that once again the audacity and deceit of terrorist organization FMLN has become clear to the national and international public. Scoring the leftist Salvadoran guerrilla organization, the government stated that together with its acts of destruction and murder, the FMLN is seeking to fabricate murders and kidnappings to incriminate soldiers from the Salvadoran Armed Forces, as part of its policy of deceit.

Pastor Christopher Williams comes as the most recent example of this policy. Radio Venceremos and Radio Havana had claimed that Salvadoran soldiers had killed him. The government added that nevertheless, on 9 August, Pastor Williams appeared, telling an afternoon daily and a radio station from the capital city that he was in La Palma, Chalatenango and was doing fine.

The Salvadoran Government's communique stressed that once again the FMLN-FDR's deceit becomes apparent through its lies and attempts to deceive not only the international public, but also its own militants, in a desperate effort to hide the loss of morale within their ranks.

ARMY AIMS OPERATIONS AT 'FULL CONTROL' OF INSURGENTS

PA150217 San Salvador LA PRENSA GRAFICA in Spanish 13 Aug 85 p 2

[Text] Approximately 6,000 Army troops are participating in routine counterinsurgency operations in Chalatenango, Morazan, San Vicente, Cuscatlan, Usulutan, Cabanas, La Union, and San Miguel Departments. These troops are searching rural areas in their respective sectors, in accordance with orders from the Joint Staff of the Armed Forces.

According to Army spokesmen in Chalatenango, these activities will be carried out for approximately 90 more days, until subversive redoubts in the vicinity of Arcatao and other points near to the border with Honduras are under control. The troops are also patrolling all of the highways to guarantee the free movement of all types of vehicles. Also, other units are providing vigilance, patrol, and search services in urban sectors.

Day and night vigilance in the capital and the most important departmental capitals is intense, and is geared toward controlling the movements of subversive groups that carry out violent actions, according to reports from military authorities. The departments where there has been the most activity in the past few days are Chalatenango, San Vicente, Usulutan, Morazan, and San Miguel. Every day during the past 2 weeks there have been attacks by the rebels on public services.

According to reports from officers of the Armed Forces High Command, the Army has the subversives under control in the entire country. Vigilance, patrol, and search activities will continue for some time, until the FMLN-FDR terrorist groups' movements are under full control.

FOUR POLICEMEN SERIOUSLY WOUNDED IN CLASH

PA150220 San Salvador EL MUNDO in Spanish 12 Aug 85 p 3

[Text] San Miguel, 12 Aug -- Four policemen were killed and six were seriously wounded on Saturday between 0700 and 0900, when the private vehicle they were traveling in -- along with soldiers from Usulutan who were going to reinforce the military garrison at the 15 September Hydroelectric Plant -- was ambushed by guerrillas, who first fired at the vehicle with RPG-2's and later opened fire on them with machine guns and rifles.

The attack took place on the Pan-American Highway between kms 99 and 100 in the Santa Anita canton in Mercedes Umana. As a result of the strong clashes that ensued, four civilians who were traveling in the vehicle were also wounded.

A helicopter that arrived at the site of the incident attacked the rebels, inflicting many casualties on them, both dead and wounded. It has also been reported that a Red Cross ambulance from San Miguel, which was traveling from that city to San Salvador, stopped and took the wounded to the Santiago de Maria health center. Other ambulances from the Red Cross, Berlin, and Mercedes Umana helped to transport the wounded. Other reports state that the wounded policemen are in very serious condition.

PAISA ON RISK OF DIALOGUE WITH COMMUNISTS

PA131320 San Salvador EL DIARIO DE HOY in Spanish 12 Aug 85 pp 1, 23

[Text] The Salvadoran Authentic Institutional Party [PAISA] has maintained that a dialogue with the communists is always a risk as they are incapable of honoring ethical principles of respect for agreements and commitments that may eventually be negotiated.

The above statement was made to this newspaper by Colonel Roberto Escobar Garcia. He was commenting on the contents of the pastoral letter by the Catholic Church favoring the holding of a third dialogue between the government and the terrorists.

It is also historically known that the leftists have always promoted these kinds of military actions, combined with political and social actions. In fact, they emphasize those aspects on which they are better prepared to act, the political leader pointed out. Escobar added that often they exert pressure through armed actions, the people's social violence, and diplomatic channels. However, they dogmatically accept the dialogues or negotiated solutions as an intermediate step, he affirmed.

In this respect, he warned that the leftists cannot be trusted for a negotiated solution to end the conflict because the seed of treason and the start of a new phase of the positions they may obtain in the negotiations always lies behind the communists' purposes and objectives.

He added: That is why PAISA always feels that the proper solution is for the terrorists to stop being such and to take the path of democracy using the civilized mechanisms provided by the democratic system to gain their place in power. Naturally, the insistence of the Armed Forces on showing the proportion of force in which the conflict is being carried out leads us to a point in which we should feel optimistic about an eventual victory.

He reiterated that the Armed Forces have overcome the original qualitative and quantitative deficiencies for some time. Now, although we cannot yet say the situation is favorable, the military operations are actually successful.

The national press reports daily on the achievements of the Armed Forces, and this is basically directed against the guerrilla commands. In that respect, the Armed Forces will soon have neutralized the subversive rebellion. There is no reason to be pessimistic about a military setback, Escobar pointed out.

The dialogue obstructs military operations. Truces are advantageous to the communists; therefore, if strong pressure continues to be exerted on the guerrillas, in the end it will break their morale.

The leftists, the PAISA leader noted, will resort to democratic mechanisms rather than insist on the armed struggle.

"The military way serves to break the enemy's fighting spirit, and in this respect it does not imply the total extermination of the opposing forces. At a specified time, when the Armed Forces have exerted enough pressure on the guerrillas, the latter will have no choice but to head for the democratic way, as established by the political Constitution," Escobar Garcia concluded.

GUATEMALA

BOMB EXPLODES IN MEXICAN EMBASSY; TWO KILLED

PA141513 Paris AFP in Spanish 1458 GMT 14 Aug 85

[Text] Guatemala City 14 Aug (AFP) -- The fire department has reported that a bomb exploded this morning inside the Mexican Embassy here, killing two unidentified persons. The embassy is located in the residential section, in the southern part of the capital. Neither firemen nor embassy officials have explained the cause of the explosion. They said that they were investigating whether or not it was a terrorist action. As of now the names of the victims who were in the building when the bomb exploded have not been released.

It was reported that German Talavera, Mexican ambassador to Guatemala, was not in the embassy at the time. Reporters have not yet been allowed into the embassy, where a state of tension prevails after the bloody incident.

AGRICULTURAL LEADER ASSASSINATED IN GUATEMALA CITY

PA150229 Guatemala City Radio-Television Guatemala in Spanish 0300 GMT 13 Aug 85

[Excerpt] A farmers leader was murdered in Guatemala City on Monday. (Roberto Castaneda Peluche), president of the General Association of Farmers, died this afternoon after he was gunned down by the occupants of a moving automobile that overcame him on Santa Cecilia Avenue and 30th Street, in Guatemala's Zone 8.

Eyewitnesses to the crime reported that the victim's car was followed three blocks, beginning on 33d Street, where the sounds of several gunshots were heard. Minutes before the killing (Castaneda) apparently realized he was being followed, and picked up speed to elude his persecutors, though to no avail. The assailants' car passed his on the street, and they shot him at close range with high-caliber weapons. The shots hit the front of the car and several struck the victim's body, particularly in his chest, after which the victim lost control of the vehicle, which crashed against house No 3008. Part of the building wall was destroyed by the impact. A motorcycle that was parked against the curb was dragged by the screeching car and smashed against the building wall.

(Castaneda Peluche) attempted to repel the culprits by drawing a gun that was in his possession, but because he was alone and driving, he was unable to counter the attack. The unidentified killers swiftly fled the scene of the crime down Santa Cecilia Avenue in the direction of Zone 1. Shortly afterward, several police patrol cars and units of the public investigations office arrived at the site of the attack and began to search for the culprits, but they were unsuccessful.

NICARAGUA

ORTEGA ACCUSES U.S. OF PRESSURING COSTA RICA

PA141253 Managua Radio Sandino in Spanish 0000 GMT 14 Aug 85

[Text] Today Commander of the Revolution Daniel Ortega Saavedra, president of the Republic, said our country is waiting for a dialogue and that Costa Rica has the last word on whether or not a meeting will take place.

He said the U.S. Government wants Costa Rica to be at odds with its neighbor, Nicaragua. Ortega added:

[Begin recording] [Ortega] The Contadora Group has also seriously called for a dialogue. We are waiting for an answer regarding this. The possibility of a dialogue is in Costa Rican hands. In order to accept a dialogue, it must reject U.S. pressure against such a dialogue. The United States would rather see a Costa Rican Government at odds with Nicaragua than a government friendly to Nicaragua.

[Reporter] Commander, what about resettlements promised by the government for this year?

[Ortega] Those resettlements are temporary in nature. However, within that context, we are trying to provide resettled families with all possible facilities in keeping with the circumstances and our limitations. As we recover more territory in border areas threatened by terrorist action and as we defeat terrorist action, peasants will be able to return with their families to their native communities. [end recording]

Expresses Hope for Peace

PA141225 Managua Radio Sandino in Spanish 0000 GMT 14 Aug 85

[Text] During a meeting at noon today with a delegation of children from Region 1 who are in Managua to exchange experiences with various sectors of society, Commander of the Revolution Daniel Ortega Saavedra, president of the Republic, said: We have not lost hope that the Costa Rican Government, which is being pressured by the U.S. Government, will be receptive to our peace demands. Ortega said: For the sake of these children, who have personally suffered the criminal actions of counterrevolutionaries financed by the U.S. Government, the FSLN and the government want to bring peace to our people soon.

In mentioning Nicaragua's effort with the Contadora Group and specifically with Costa Rica to make progress in the delimitation of a security area as an example, Ortega said that through the Patriotic Military Service and a redoubling of efforts to carry out assigned tasks we are defending these children who are the future of the revolution. In conclusion, he added that in order to achieve peace it is also necessary to strengthen the military defense capability of the people and to continue peace efforts at the international level.

PANAMA'S NORIEGA ARRIVES, VISITS FONSECA TOMB

PA141848 Managua Domestic Service in Spanish 1722 GMT 14 Aug 85

[Report by Freddy Lopez Quiros -- live]

[Text] [Quiros] The commander in chief of the Panamanian Defense Forces, General Manuel Antonio Noreiga, has arrived at the tomb of the chief of the Nicaraguan revolution, Commander Carlos Fonseca Amador. Gen Noriega is accompanied by Commander of the Revolution Humberto Ortega Saavedra, defense minister, commander in chief of the Sandinist People's Army, and chief of the Sandinist People's Militias.

Noriega has just placed a floral wreath on the tomb of Carlos Fonseca Amador, and the distinguished visitor and Commander Humberto Ortega Saavedra are now visiting the tomb of Colonel Santos Lopez. They are surrounded by many reporters and are currently heading for the vehicles in which they arrived and will take them to the Plaza de la Revolucion.

Gen Noriega is ready to enter the vehicle, but we will try to obtain some statements for our listeners of La Voz de Nicaragua.

[Noriega] We must try to preserve peace in the area and prevent violence from taking more lives. Each country must contribute so that peace will prevail in this area. Panama is willing to contribute through the Contadora Group and all military efforts so the conflict will not worsen and the Nicaraguan-Costa Rican conflict will reach a good solution. We all have a lot to lose in all of these conflicts. Thank you very much.

Meets With Daniel Ortega

PA150414 Managua Domestic Service in Spanish 0302 GMT 15 Aug 85

[Text] Once again Panama is offering its territory for holding the dialogues necessary for peace, including the dialogue with Costa Rica. This was stated by President Daniel Ortega tonight after his meeting with General Manuel Antonio Noriega, chief of the Panama Defense Forces. President Ortega said that Nicaragua is willing to hold a dialogue and that the moment to hold a dialogue has arrived. He also said that they are waiting for an answer from the Costa Rican Government. Following are statements by President Daniel Ortega to reporters:

[Begin recording] [Ortega] We consider the visit of General Noriega to our country of great importance because it has to do with Panama's efforts for peace in Central America. This is an active position taken by Panama on behalf of peace. We have talked to Gen Noriega, and once again he has offered his country to hold the dialogues necessary to solve the conflicts affecting the Central American region, especially the dialogue we are seeking with the Costa Rican Government, which as you all know, has been in favor of talks, as has Nicaragua. Panama has offered its territory for the dialogue, and therefore, we feel that the time to hold the dialogue has come. We are now waiting for the Costa Rican Government to make a definite decision so that we can make some progress.

[Reporter] At what level would the dialogue be held?

[Ortega] This is a dialogue that must be gradual. This is not a dialogue between President Monge and myself. It would have to be a dialogue at the foreign minister level, or whatever level is most suitable. However, the situation demands that the dialogue be held at foreign minister level.

[Reporter] Peruvian President Alan Garcia said that presidents should hold a meeting to decide on the nonpayment of the debt. Would you participate in the meeting?

[Ortega] We are in favor of an all-out Latin American effort in which Latin American countries would conscientiously participate in a joint effort regarding this problem, which is affecting all Latin American countries.

[Reporter] Mr President, is there a deadline for the talks with Costa Rica?

[Ortega] We are not setting any deadline. Today we sent a letter to President Monge in which we avoid all argument, in which we are answering his letter in which he makes a series of charges against Nicaragua. We did not want to start any arguments; all we said was that the solution was to attend the meeting in Panama. [end recording]

Meets With Humberto Ortega

PA150435 Paris AFP in Spanish 0304 GMT 15 Aug 85

[Text] Managua, 14 Aug (AFP) -- Defense Minister Humberto Ortega today announced that thousands of Nicaraguans will be mobilized in the next few days to end "this tragic war that has been imposed on us as soon as possible." Ortega made this statement after meeting today with his Panamanian counterpart General Manuel Antonio Noriega in Managua. They discussed the Central American situation, tension at the Nicaraguan-Costa Rican border, and other bilateral issues.

As for the struggle of the Sandinist People's Army against rebel guerrillas, Ortega said that it is now possible to combine aerial and ground counterinsurgency operations. As an example, he mentioned a recent rebel attack on the northern town of La Trinidad in which government forces used Soviet-made MI-24 helicopters to dislodge the anti-Sandinists.

On his part, during a brief encounter with the press before meeting with President Daniel Ortega, General Noriega reiterated that his country will make all efforts to maintain peace in Central America. Noriega avoided commenting on a recent statement made by President Luis Alberto Monge in which he criticized the Contadora Group and the OAS for "not having shown enough solidarity with Costa Rica." He pointed out: "I am not aware of that statement; in any case, it is not opinions that matter; what is important is to maintain regional peace."

Offers Panama as Dialogue Site

PA150421 Managua Domestic Service in Spanish 0308 GMT 15 Aug 85

[Text] The Contadora Group should allow military analyses in the region, which would result in detente, said General Manuel Noriega, commander in chief of the Panamanian Defense Forces, after meeting tonight with Commander of the Revolution Daniel Ortega Saavedra, president of the Republic, and Commander of the Revolution Humberto Ortega, commander in chief of the Sandinist People's Army and defense minister. Noriega said that Panama's solution is the dialogue, and at tonight's meeting the dialogue was discussed after analyzing the present situation in the region. We have the following statements by General Noriega, as he addressed reporters.

[Begin recording] [Noriega] We have analyzed the regional situation. Panama cannot remain indifferent in its own drama, the Central American drama. Panama's position is that the dialogue must be maintained to avoid the expansion of the regional conflict into a struggle that no one is going to win. Any effort that is made along with the Contadora Group is a positive reinforcement. As soldiers, we feel that the Contadora Group must also have our contribution, our analyses of the military situation in the region. As part of this plan to reinforce the Contadora Group, we are reiterating to the Nicaraguan president on the Panamanian president's behalf that our territory is at his disposal to carry out the necessary meetings that could result in detente in the present situation, especially between Nicaragua and Costa Rica. We feel that because we share a border with Costa Rica that Costa Rica must preserve its democracy and history. Any effort we make in this regard is a reinforcement and an effort that contributes to, but does not harm the region.

[Reporter] What reasons would Costa Rica have to refuse the dialogue?

[Noriega] We are going to act positively. President Ortega has already expressed an open point of view, and we are going to wait for a response from President Monge. The media should not contribute to misinformation or the negative side of the issue. It should contribute positively to this situation.

[Reporter] General Noriega, in response to Nicaragua's expressed desire to achieve peace, what do you think of the presence of the U.S. aircraft carrier Eisenhower in Central American jurisdictional waters?

[Noreiga] (?Each zone has its own view.) The Panamanians see it as having passed through the canal. [laughter] [end recording]

DEPUTY MINISTER TINOCO ON U.S. PRESSURE IN REGION

PA142145 Managua Radio Sandino in Spanish 1949 GMT 14 Aug 85

[Interview with Deputy Foreign Minister Hugo Tinoco on 14 August by an unidentified questioner; place not given -- recorded]

[Text] [Question] Yesterday, the U.S. ambassador to the United Nations threatened to use the Inter-American Reciprocal Assistance Treaty [TIAR] against Nicaragua. What is your comment?

[Tinoco] Well, I think the United States has always had aspirations of destroying this revolution, and it has tried to destroy it at the lowest possible cost. Since the United States knows that to try to destroy the revolution with its troops in a direct U.S. intervention would have a high military and political cost, it has sought to have other countries do the work so it can intervene. That is the idea of the TIAR. Nevertheless, I think he is a little outdated because Latin America will not play into the hands of U.S. interests so easily. It is true that there are some countries, especially small countries in the Central American region, that might lend themselves to a U.S. maneuver. I am referring to Honduras, El Salvador, and Costa Rica which might lend their territory if they are greatly pressured by the United States. [Words indistinct] politically important are not going to lend themselves to that game because the tendency in Latin America is just the opposite. The current tendency in Latin America is to affirm that its interests are different and frequently conflict with the U.S. political and economic interests.

For example, the meeting that will be held in Cartagena on 23 and 24 August with the participation of the four foreign ministers of the Contadora Group and the four foreign ministers of the support group -- Brazil, Argentina, Uruguay, and Peru -- shows that Latin America is interested in seeking Latin American solutions in the interests of Latin America and its peoples rather than the U.S. interests. Therefore, Mr Walters' statements are part of an old U.S. tactic of using puppet governments in the region. However, to the extent that Latin America reaffirms its position this will become more difficult, and the United States will be forced to use its own resources.

[Question] It has also been said that President Monge has responded to a letter from President Ortega, and that he accuses Nicaragua of attacking Costa Rican territory. What can you say about this?

[Tinoco] As far as we know, the letter does not say that. It sustains the Costa Rican position, which has been to try to make Nicaragua responsible for the deaths of the two Costa Rican civil guardsmen even though the OAS and the OAS investigating commission did not hold Nicaragua responsible for that.

Costa Rica tried to hold Nicaragua responsible for this and took the case to the OAS. The OAS ruled no, Nicaragua is not responsible, or at least it cannot be affirmed that it was Nicaragua's responsibility. Unfortunately, instead of adopting a constructive attitude and accepting the OAS recommendation -- which was that Nicaragua and Costa Rica should hold a dialogue with the cooperation of the Contadora Group to discuss the creation of a security zone on the border -- the Costa Rican Government has chosen to create pretexts and obstacles to the dialogue.

At one time the Costa Ricans said that they were going to initiate the talks. They told the Contadora Group deputy foreign ministers who toured the area that they were going to participate in these talks, but now it seems that they will not. In the latest Costa Rican letter, there are indications that they want Nicaragua to apologize. They want Nicaragua to say: I am guilty. This does not make sense, not only because this is impossible, but also because this is the pretext they are using to prevent a dialogue on a security zone. We ask: What is Costa Rica gaining by creating pretexts and by not having the security zone? Costa Rica is not gaining anything. The Costa Rican people don't gain anything because the tension will increase, there will be the possibility of more confrontations along the border. The only winner here is the United States. For this reason we have to suspect that U.S. pressure is behind Costa Rica's insistence on erecting obstacles to security zone discussions.

No one can say that Costa Rica will gain anything by being opposed to the security zone. The Costa Rican people are not gaining anything. Tension will increase, the possibility of a general confrontation will increase, and the Costa Rican people could find themselves involved in a war. What does the Costa Rican Government itself stand to gain? We see no sense in that position. The only logical explanation is U.S. pressure. The United States does not want that zone for logical reasons because such a zone would mean impeding the use of Costa Rican territory by counterrevolutionary forces.

[Question] What about the transfer of the [aircraft carrier] Eisenhower from the Atlantic to the Pacific?

[Tinoco] That's part of the U.S. war policy, a policy of threats. All the United States, as an imperialist power, knows how to do is use its force and make threats. In the case of Nicaragua they have issued threats, and they have also attacked. The mobilization of the Eisenhower from the Caribbean t the Pacific is a continuation of the threats against Nicaragua. There are the threats of the continuous maneuvers, the maneuvers that are being held in Honduras. All this is part of the same policy. In view of this, the Nicaraguan people and Government have no choice but to get ready, to be alert, and to continue with the tasks of production and defense.

[Question] How do you view the statement by Brooklyn Rivera to UPI regarding plans to assassinate him at a moment when Commander Tomas Borge has announced that the talks with Misura, Sumu, Rama, Sandinist Unity have been renewed?

[Tinoco] The CIA policy on Central America, for Nicaragua specifically -- we are not going to speak about other parts of the world, although we don't doubt that they have a similar policy -- has been to use terrorism, crime, and political assassinations as a daily weapon. It not only attacks the leaders of the revolution and officials at different levels in the revolution and in the Nicaraguan revolution, it also attacks anyone searching for a negotiated solution, for a dialogue to resolve the problem that involved Nicaragua and the Sandinist revolution. We have no doubt that in the case of (Pampo) or (Pampin), I don't know [words indistinct] and in the case of the other leader who has been kidnapped, it is the counterrevolutionary forces more closely linked to the CIA who have been acting to prevent this type of situation.

This case is, to a certain extent, similar to that of Costa Rica. This is the U.S. policy, the CIA policy. They do not care for the interests of the Nicaraguans or for the interests of the Miskitos, or the Hondurans. They are only concerned with their own interests as an imperialist power that is trying to destroy this revolution. Exactly as they don't care about Costa Rican interests and are opposed to the security zone, here, in the case of the talks with the Miskitos, they don't consider the interests of the Miskito people, or of the Nicaraguan people in general, and therefore are opposed to the talks and carry out criminal actions against leaders.

[Question] One last question, companero. Some opposition sectors are talking about the Contadora Group being a diplomatic forum that serves foreign intervention. Can you comment on that?

[Tinoco] I am surprised that anyone can be so sensible about the subtle intervention -- in between quotation marks -- of the Contadora Group but fails to see and to criticize the horrible U.S. intervention. I believe that once those gentlemen have a reliable and firm position on what criminal U.S. interventionism means, then they will have the right to wonder if there is any kind of intervention by the Contadora Group. We don't believe there is such intervention. It is a group making efforts to resolve the problems of Central America.

TRADE TO DIVERSIFY TO OVERCOME U.S. EMBARGO

PA141543 Managua Domestic Service in Spanish 0300 GMT 13 Aug 85

[Text] Nicaragua will increase its trade with other Latin American countries in order to face the trade embargo imposed by U.S. imperialism. Foreign Trade Ministry sources have stressed the increase in trade with such countries as Venezuela, Mexico, and Brazil. According to estimates, 32 percent of Nicaragua's trade will be with West Europe, 12 percent with Japan, 21 percent with Latin America, and the rest with socialist and other countries.

BORGE ON RIVERA'S DEMANDS FOR AUTONOMY TALKS

PA141918 Managua Radio Sandino in Spanish 1200 GMT 14 Aug 85

[Text] Interior Minister Tomas Borge Martinez said yesterday that the Nicaraguan Government has rejected a number of conditions set by Brooklyn Rivera, a leader of the Indian organization Miskito, Sumu and Rama Sandinist Unity [Misurasata], for the continuation of the dialogue that he unilaterally broke off in Colombia during the fourth round of talks.

Borge, who is also chairman of the National Commission for the Autonomy of the Atlantic Coast, made this statement to a delegation of U.S. citizens who are visiting the country to learn about the Sandinist people's revolution. The Sandinist leader said that Rivera sent a letter to the Nicaraguan authorities proposing that the dialogue between them be renewed outside Nicaragua and that the National Commission for the Autonomy of the Atlantic Coast be dissolved and replaced by the talks between Misurasata and the Nicaraguan authorities. Rivera also proposed that the death of Eduardo Pantin, an Indian leader of Miskitos, Sumus, and Ramas, be clarified and that the World Council of Indian Peoples, CMPI, act as sole mediator in the talks between Misurasata and the government.

The Nicaraguan Government rejected those demands and replied that it was important that the talks with Misurasata be continued but that they should be held in Nicaragua because this is where the disagreements take place. Rivera has full guarantees to come to the country, said Borge Martinez.

MINISTRY, FAR UNITS ORGANIZE SR-71 PROTESTS

FL141525 Havana Television Service in Spanish 1100 GMT 14 Aug 85

[Text] Hundreds of telegrams, phone calls, and Telex messages continue to arrive at our television station condemning the violation of our airspace by a SR-71. Protests activities, organized by work centers, our FAR units, and the Interior Ministry, are being held in Havana as well as in the rest of the country.

RISQUET MEETS WITH ETHIOPIAN OFFICIALS

FL141232 Havana Domestic Service in Spanish 1100 GMT 14 Aug 85

[Text] Last Tuesday, Politburo member Jorge Risquet arrived in Addis Ababa for a work visit and today he continues talks with high-level Ethiopian Government and party officials. The talks include discussions on cooperation relations between the two countries' political organizations and governments.

BAHAMIAN FOREIGN MINISTER LEADS OFFICIAL VISIT

FL142130 Havana Domestic Service in Spanish 2056 GMT 14 Aug 85

[Text] Today at noon, Bahamian Minister of External Affairs and Tourism Clement Maynard was presented to the members of the diplomatic corps accredited in Cuba at a ceremony held at the Ministry of Foreign Relations, Havana. Isidoro Malmierca, member of the PCC Central Committee and minister of foreign relations, introduced the chiefs of mission to their Bahamian counterpart, who arrived in Cuba this morning for a working visit. The delegation from the Caribbean country is made up of George Stewart, permanent Bahamian vice minister of foreign affairs; Commodore Leon Smith, of the Royal Air Defense; and other personages. Official talks between the Cuban and Bahamian delegations will take place this afternoon at the Ministry of Foreign Relations.

ARMANDO HART DAVALOS MEETS WITH CPCZ'S HAVLIN

FL142350 Havana Domestic Service in Spanish 2300 GMT 14 Aug 85

[Text] Armando Hart Davalos, member of the Communist Party of Cuba Politburo and culture minister, has met with Josef Havlin, Czechoslovak Communist Party Central Committee secretary. In the meeting held in Prague, the leaders discussed several aspects related to party labor. The Cuban leader is on an official visit to the CSSR.

BRAZIL'S SARNEY DISCUSSES RENEWING RELATIONS

FL142222 Havana Domestic Service in Spanish 2130 GMT 14 Aug 85

[Text] Montevideo -- Brazilian President Jose Sarney here confirmed that Brazil is studying reestablishing diplomatic relations with Cuba, a country with which it has normal contact. In a press conference, Sarney emphasized that the international situation was different from the current situation when, some years ago, diplomatic ties were broken between the two countries. As a consequence of this change, Brazil is studying the reestablishment of those ties. Sarney recalled that President-elect Tancredo Neves, who did not assume his post due to his death during surgery, had already responded to a similar request explaining that the case of relations with Cuba was a definite national problem.

MPSP SALUTES 22D ANNIVERSARY OF CONGO REVOLUTION

FL141650 Havana Domestic Service in Spanish 1600 GMT 14 Aug 85

[Text] The Cuban Movement for the Peace and Sovereignty of the Peoples [MPSP] has sent a message to the Congolese Association for Friendship Between the Peoples saluting the 22d anniversary of the triumph of the revolution. The message, signed by Orlando Fundora Lopez, president of the Cuban organization, expresses most cordial congratulations on this new anniversary of the three glorious days that mark the beginning of the Congolese revolutionary process.

On occasion, we tighten the bonds of friendship and solidarity because of our common interest in peace and the development of the peoples, the message says. It also expresses solidarity and support in the common struggle of humanity against imperialism, colonialism, and apartheid.

U.S. PEACE GROUP NAMES ARDE AS KIDNAPPERS

PA141303 Havana International Service in Spanish 0000 GMT 11 Aug 85

[Text] The U.S. religious people and newsmen who were abducted by Nicaraguan counterrevolutionary bands on Wednesday confirmed in Managua that this action was carried out by members of the so-called Democratic Revolutionary Alliance [ARDE], which operates out of Costa Rica.

U.S. citizens Edward Griffin and (Shoverer Ruyo), members of the peace flotilla that was captured while sailing along the border on the San Juan River, said that an ARDE group kept them in Costa Rican territory for approximately 30 hours. They added that the group constantly talked about its leader, Eden Pastora.

A journalist of the Nicaraguan newspaper EL NUEVO DIARIO reported that the counterrevolutionary elements with whom he talked told him there was no difference between ARDE and the Nicaraguan Democratic Front that operates in [word indistinct].

Mexican cameramen Manuel Castillo and U.S. citizens (Chiaron Chiseller) and Mary Dutcher agreed with these testimonies and asserted that the kidnappers belong to the counterrevolutionary organization ARDE.

NICARAGUA'S ORTEGA COMMENTS ON COSTA RICA BORDER

PA141957 Havana International Service in Spanish 1600 GMT 14 Aug 85

[Text] Nicaraguan President Daniel Ortega has said in Managua that the Costa Rican people must realize that mercenaries have left their territory to kill Nicaraguan children, women, and men. The Nicaraguan president made this statement as he received 100 youths from the war zones at Government House. Many of these youths are now orphans because their parents were killed by counterrevolutionary bands.

Daniel Ortega said that in Costa Rica efforts are being made to present the border incidents as though they were provoked by Sandinist soldiers when the shots are actually being fired from Costa Rican territory. The president stressed that in order to achieve peace Nicaragua must first improve the country's defense capabilities and contribute to strengthening the Contadora Group peace efforts.

HOSTILE U.S. POLICY THREATENS NICARAGUA

FL141836 Havana Domestic Service in Spanish 1700 GMT 14 Aug 85

[Station commentary]

[Text] Dispatches received this morning report on the statement by former CIA Director [as heard] and present U.S. Ambassador to the United Nations Vernon Walters that the United States has not discarded military intervention in Nicaragua. During the past 5 years, the White House has imposed a war on the Sandinists by organizing and financing the Somozist mercenaries who infiltrate Nicaragua from Honduras. Washington had ordered the mining of Nicaraguan ports and decreed an economic blockade of Nicaragua. This series of hostile acts aims at forcing the Nicaraguan Government to pay a high price to carry out its revolutionary, democratic, and pluralistic plans, with a mixed economy.

In Nicaragua, 12,000 persons have been murdered by the counterrevolutionary bands that operate from Honduras and Costa Rica, and one-half of Managua's budget is spent on the war forced on Nicaragua by Washington, which is trying to eliminate by force a government elected by the people, just as they did in the past to General Sandino.

The Contadora Group, which has worked tenaciously to find a political solution to the Central American problem, has come up against the tenacious opposition of the United States: First, last September, when Washington rejected the Contadora peace document, which was accepted by Nicaragua despite the fact that it included great concessions; and then in April 1985 when the United States presented what Reagan called a peace plan for Nicaragua, which the international press described as an ultimatum.

This ultimatum demanded that the Sandinist government dialogue with the counter-revolutionaries. Managua rejected Washington's demands, and Contadora began to weaken; Mexico and Panama said that dialogue between the groups in each country lies outside the aims of Contadora, whereas Colombia and Venezuela, the other two Contadora countries, showed their willingness to accept the U.S. proposal. Nevertheless, Contadora has continued its work, and in late July the group that supports Contadora was organized. This group consists of Brazil, Peru, Argentina, and Uruguay. The foreign ministers of these eight countries will meet on 23 August in the Colombian city of Cartagena to find a solution to the crisis, which might include the organization of a peace-keeping force to keep the peace along the border between Nicaragua and Costa Rica and Honduras.

The genuine Latin American peace effort led by Contadora has now been reinforced by the formation of the support group. The 23 August meeting in Cartagena means renewed hope in the search for formulas that preserve the right to independence and self-determination of our peoples. The sovereignty of our America will be measured by what happens in Nicaragua.

SALVADORAN REGIME WAGES PSYCHOLOGICAL WARFARE

PA140331 Havana International Service in Spanish 1600 GMT 11 Aug 85

[Text] The Salvadoran regime is conducting an intensive psychological war and with the aid of U.S. strategists, it intends to undermine the morale of the revolutionary fighters, the SAL PRESS press agency has reported. For the past 2 days the conservative newspapers have been publishing pictures of alleged guerrilla deserters, while military spokesmen have offered a reward to anybody informing on the whereabouts of guerrilla commander Milton Mendez.

The guerrilla broadcasting station, Radio Farabundo Marti, reported that Air Force planes dropped thousands of leaflets on Friday urging the guerrillas to surrender, with the purpose of demoralizing them. The leaflets fell on the cities of Tecoluca and Zacatelocula in the southern Department of La Paz, on the slopes of Chichontepec Volcano where rebel groups operate.

Despite the efforts of the Salvadoran regime, guerrilla activities have increased and in the last 4 days the insurgents have inflicted 23 casualties on government troops.

FMLN VOWS TO INCREASE ACTIONS IN EL SALVADOR

PA142010 Havana International Service in Spanish 1600 GMT 14 Aug 85

[Text] In noting the conclusions reached at a regular meeting of the FMLN, Commander Leonel Gonzalez has announced that the Salvadoran guerrilla movement will increase its military actions to destabilize the regime's economy and weaken its political power. This announcement was made on Tuesday in a simultaneous transmission by the rebel stations Radio Venceremos and Radio Farabundo Marti.

The communique notes that rebel actions will be maintained to prevent government plans from succeeding and to expand the war to all parts of the country. Commander Gonzalez said that the FMLN will seek world solidarity against the U.S. interventionist, warlike policy and in favor of the Nicaraguan revolution.

The guerrilla document is in sharp contrast to statements made in Paraguay by Salvadoran Defense Minister General Eugenio Vides Casanova, who said that the rebel forces have lost their military capability. Contradicting himself, Gen Casanova admitted that there is the possibility that the Salvadoran regime could request U.S. aid in the struggle against the guerrillas.

PERU'S GARCIA REASSERTS DECISION ON DEBT

PA140332 Havana International Service in Spanish 1800 GMT 10 Aug 85

[Text] The Peruvian Government has decided not to sign the draft air trade agreement with the United States (?and) to revise the terms of the negotiations conducted by the previous administration.

Peruvian Foreign Ministry sources reported that the decision was made known to the U.S. Embassy in Lima on 6 August and that Ambassador David Jordan relayed it to Washington on Friday.

In addition, Peruvian President Alan Garcia reasserted that he will negotiate his country's foreign debt but not through the IMF, tacitly responding to the U.S. threats to cut off all assistance to countries which assume such attitudes.

The Peruvian head of state reaffirmed that he will devote not more than 10 percent of export earnings to the debt and accused the U.S. private banks of having violated the laws in the negotiation of the foreign debt.

It was reported that the Peruvian Government froze the prices of 13 food items which make up the family breadbasket and authorized an increase in the price of the canned milk produced by the transnationals Carnation and Nestle in that country.

INTENSE DROUGHT AFFECTS HAVANA'S WATER SUPPLY

Committee Announces Rationing

FL131815 Havana Television Service in Spanish 1700 GMT 13 Aug 85

[Text] Havana's water distribution, due to the intense drought affecting our country, has been analyzed in a meeting held at the headquarters of the provincial committee of the People's Government.

At the meeting, water rationing measures were announced and different organs were called to offer their water tanks for water distribution. It was reported that at present, there are 116 water tanks in order to distribute water to the citizens, hospitals, policlinics, and child care centers but 100 more are needed. Immediately, the People's Government established a new water distribution schedule. To supply water to the most affected areas new valves were installed.

Supply May Run Out By October

FL141504 Havana Domestic Service in Spanish 1100 GMT 14 Aug 85

[Text] Oscar Fernandez Mel, Central Committee member and president of People's Government Assembly [ANPP] in Havana, has asked for understanding from all organs and citizens in relation to the present water supply problem. In a meeting held at the ANPP headquarters, Fernandez Mel said that if there is no substantial rainfall, Havana will not have water by October or November and water will have to be brought from nearby provinces.

MIRET ATTENDS POWER SUBSTATION INAUGURATION

FL131509 Havana Television Service in Spanish 1100 GMT 13 Aug 85

[Text] Considered as a high-quality project, a 110 ac/dc 34.5 kilowatt electric power substation called Industrial Santiago was inaugurated recently in Santiago de Cuba, the Republic's heroic city, with Politburo member Pedro Miret Prieto in attendance.

CORRECTION TO RAUL CASTRO ATTENDING MANEUVERS

The following correction pertains to the item headlined "Raul Castro Attends FAR Maneuvers in Camaguey" published in the 12 August Latin American DAILY REPORT, page Q 4, first paragraph, line one:

... GMT on 9 August carries recorded coverage ... (changing month from "July" to "August")

CAYMAN ISLANDS

GOVERNMENT GRANTS PETROLEUM EXPLORATION LICENSE

FL142240 Bridgetown CANA in English 2104 GMT 14 Aug 85

[Text] Grand Cayman, Cayman Islands, Aug 14, CANA -- The Cayman Island's Government has granted its first petroleum exploration licence to a local company Lagartos Oil Limited, it has been officially announced.

The agreement signed by Governor Peter Lloyd and Oran Berry II owner of Lagartos Oil Limited, gives Lagartos rights to exploit any oil finds for 25 years, a government statement said. The exploration licence covers all of Grand Cayman and its nearshore waters, but Berry said he had no plans for offshore drilling and would stay well away from the island's prime tourist area, Seven-Mile Beach, the government explained.

It said the signing crowned a seven-year effort by Berry, who had been seeking a licence since the Cayman legislature enacted a petroleum law in 1978.

The 48-page agreement was drafted with the help of experts from the United Nations Technical Development Programme (UNTDP) and is designed to give an incentive for other prospectors to seek oil in the other areas of the islands, while providing good revenue prospects for the government, the statement said.

Under the agreement, government will receive 12.5 percent of all oil and natural gas taken by the company, which will also pay a petroleum levy of 46 per cent on its net income.

Production above a certain level will require payment of a supplemental levy, and if return on investment exceeds 20 per cent the company will pay an additional of 30 per cent of the income above that level. The government statement said that if the return on investment exceeds 35 percent this levy rises to 50 per cent.

Berry, an independent oil produced for over 30 years, described the agreement as equitable and expressed his thanks to Caymanian and UN officials for their co-operation and guidance.

Pledging to pursue the project with vigour and dedication, Berry estimated his chances of finding oil at 50-50. He said he had spent over US500,000 dollars so far on the project and expected to spend another US300,000 dollars on exploration in the next year before drilling the first well.

The agreement and government regulations place close controls on the company's operations to ensure minimal ecological impact, and all operations must be approved by a joint management committee on which the company and the government each have three representatives.

The company is required to operate a comprehensive programme to train Caymanians in all phase of petroleum operations, and to give preference to local products and services if possible.

All plant, equipment and materials used in the operations can be imported free of customs and other duties. Berry said he expects to employ up to 50 people in the islands during the exploration stage.